J

283

Vol. X

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1937.

277
23

No. 603

L. P. LARSON, JR., COMPANY, PETITIONER,

vs.

WM. WRIGLEY, JR., COMPANY

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT

PETITION FOR CERTIORARI FILED NOVEMBER 4, 1937

CERTIORARI GRANTED DECEMBER 6, 1937

(33,055)

IN THE

Supreme Court of the United States.

OCTOBER TERM, A. D. 1927.

No.

L. P. LARSON, JR. COMPANY,
Petitioner,

vs.

WM. WRIGLEY, JR. COMPANY,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

RECORD

CHARLES H. ALDRICH ESQ.,
GEORGE I. HAIGHT ESQ.,
CHESTER D. KERN ESQ.,
RALPH L. PECK ESQ.,
Counsel for Petitioner.

ISAAC H. MAYER ESQ.,
WALLACE R. LANE ESQ.,
Counsel for Respondent.

J51569

Stipulation making corrections in narrative form of evidence, filed June 2, 1926.....4507
Appearance of counsel for Wm. Wrigley, Jr. Company, filed July 16, 1926.....4509
Order of July 23, 1926, extending time for appellee to file briefs and placing cause on calendar.....4510
Order of August 9, 1926, granting leave to withdraw Vol. III of Master's Report 4511
Appearance of counsel for L. P. Larson, Jr. Company, filed August 25, 1926.....4511
Order of October 5, 1926, setting cause for hearing..4512
Order of October 21, 1926, extending time for filing briefs 4513
Appearance of counsel for Wm. Wrigley, Jr. Company, filed October 27, 1926.....4513
Appearance of counsel for L. P. Larson, Jr. Company, filed October 23, 1926.....4514
Hearing, November 12, 1926.....4515
Opinion, filed April 2, 1927.....4516
Judgment entered April 2, 1927.....4529
Petition for rehearing on behalf of L. P. Larson, Jr. Company filed April 21, 1927.....4529
Proof of service, filed April 21, 1927.....4530
Petition for rehearing on behalf of Wm. Wrigley Jr. Company filed April 21, 1927.....4531
Proof of service, filed April 21, 1927.....4531
Answer of Wm. Wrigley, Jr. Company to petition for rehearing filed May 2, 1927.....4532
Answer of L. P. Larson, Jr. Company to petition for rehearing filed May 2, 1927.....4532
Notice of filing brief in answer to petition for rehearing of the Wm. Wrigley, Jr. Company, filed May 2, 1927 4533
Order of August 30, 1927, denying petition for rehearing 4534

Order of August 31, 1927, staying mandate.....4535
Certificate of Clerk 4537

Record in United States Circuit Court of Appeals in cause No. 3728, Wm. Wrigley, Jr. Company vs. L. P. Larson, Jr. Company:

Placita 4539
Hearing, November 12, 1926.....4539
Opinion filed April 2, 1927.....4540
Judgment entered April 2, 1927.....4540
Petition for rehearing on behalf of L. P. Larson Jr. Company, filed April 21, 1927.....4541
Petition for rehearing on behalf of Wm. Wrigley, Jr. Company filed April 21, 1927.....4541
Answer of L. P. Larson Jr. Company to petition for rehearing, filed May 2, 1927.....4541
Answer of Wm. Wrigley, Jr. Company to petition for rehearing, filed May 2, 1927.....4541
Order of August 30, 1927, denying petitions for rehearing 4542
Clerk's certificate 4543

IN THE

United States Circuit Court of Appeals

FOR THE SEVENTH CIRCUIT.

OCTOBER TERM, A. D. 1925.

No. 3727

L. P. LARSON, JR., COMPANY,

Appellant,

vs.

WM. WRIGLEY, JR., COMPANY,

Appellee.

No. 3728

WM. WRIGLEY, JR., COMPANY,

Appellant,

vs.

L. P. LARSON, JR., COMPANY,

Appellee.

MR. CHARLES H. ALDRICH,
Counsel for L. P. Larson, Jr., Co.

MR. ISAAC H. MAYER,
MR. WALLACE R. LANE,
Counsel for Wm. Wrigley, Jr., Co.

Appeals from the District Court of the United States for the Northern District of Illinois, Eastern Division.

INDEX.

Placita 1
Bill of complaint, filed Oct. 27, 1911, in Case No. 30,563.. 2
Photograph of cover and sides of complainant's product 13
Photograph of Wrigley five-stick package Spearmint gum and counterband 15
Photograph cover and sides Peptomint box..... 17
Affidavit of Frank E. Tuttle..... 19
Photograph of Larson Peptomint package and counterband 20
Affidavit of J. C. Cox..... 21
Affidavit of Gerald Hayes..... 22
Affidavit of J. A. Williams.....24, 23
Rule to show cause why injunction pendente lite should not issue against defendants, No. 30,563..... 24
Affidavit of James R. Offield..... 25
Letter, Oct. 20, 1911, Secretary of State to Offield.. 26
Affidavit of James R. Offield..... 27
Decree of Aug. 8, 1910, in case of Wm. Wrigley Jr. Co. vs. The Grove Co..... 27
Answer of defendants filed Nov. 6, 1911..... 29
Order of Nov. 8, 1911, taking motion for preliminary injunction under advisement, No. 488..... 37
Order of Nov. 20, 1911, that complainant file injunction bond, No. 30,563 37
Preliminary injunction order entered Nov. 20, 1911, No. 30,563 38
Motion for preliminary injunction, No. 30,563..... 39

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Amended answer of defendants filed Apr. 18, 1914, in No. 30,563 42
Wrigley Spearmint counterband used prior to 1907.. 50
Wrigley Spearmint counterband as changed in 1907. 51
Wrigley Spearmint counterband used in 1907..... 52
Wrapper for Wrigley Spearmint gum, 1907..... 53
Wrigley Spearmint counterband of 1914..... 54
Ping wrapper for individual stick of Wrigley Spearmint gum 55
Pink wrapper for Wrigley Spearmint gum, 1914.... 56
Order substituting attorneys for defendants..... 57
Order granting defendants leave to file amended answer instanter, No. 30,563..... 57
Notice filed Apr. 18, 1914..... 57
Affidavit of L. P. Larson, Jr., No. 30,563..... 59
Notice of taking depositions, No. 30,563..... 62
Bill of complaint filed June 15, 1915, No. 488..... 63
Photograph, Wintermint box showing cover and sides 75
Photograph, Wintermint package and counterband.. 79
Defendants' answer filed July 6, 1915, No. 488..... 83
Order granting defendant leave to file interrogatories instanter, No. 488..... 96
Defendants' interrogatories, No. 488..... 97
Answers to interrogatories, No. 488..... 99
Objections to interrogatories, No. 488..... 101
Order setting cause for hearing, No. 30,563..... 103
Answers to interrogatories, No. 488..... 103
Stipulation and answer to defendants' counterclaim, No. 488..... 105
Order setting cause for hearing, No. 488..... 107
Order of Mar. 12, 1917, consolidating cause Nos. 30,563 and 488 for trial 107
Trial..... 108

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

PROCEEDINGS IN ORIGINAL TRIAL BEFORE JUDGE ANDERSON (Nos. 30,563 and 488).

Opening statement by counsel for plaintiff..... 108

Plaintiff's Evidence:

Witnesses:

Buck, O. J. 185
Cox, A. G. 171
Cox, J. C. (on rebuttal)..... 488
Fotre, Jacob 213
Hayes, Anna (on rebuttal)..... 490
Kittredge, R. J. 208, 193
Scatchard, William 165
Smith, Albert H. 200
Wrigley, William, Jr. 486, 119

Defendant's Evidence:

Witnesses:

Adams, Gertrude E. 395
Alt, Jacob G. (deposition).....339, 315
Atwater, Bert L. (deposition filed in case of Wrigley Co. vs. Di-gesto Co. in Dist. Court of So. District of New York)..... 458
Cassidy, P. J. 403
Caulfield, J. A. 453
Cochrane, John J. 415
Constantine, Joseph H. 425
Constantine, William H. (deposition)..... 440
Dellenbarger, Charles E. 482
Dillon, Joseph P. 426
Disser, L. J. 399
Engel, Henry 435
Frantz, Charles T. 454

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Defendant's Witnesses (Continued):

Gorham, Jabez 432
Grzontowski, Bernard F. 436
Hackett, John T. 428
Larson, L. P., Jr. 467
McNamara, James 412
Moore, Robert L. (deposition)..... 339
Nagel, Peter J. (deposition)..... 297
O'Connor, John E. (deposition)..... 304
Pulver, Frank F. (deposition)..... 218
Pulver, Henry H. (deposition)..... 308
Rowley, Henry (deposition)..... 360
Schrader, William E. 430
St. Louis, Oscar 407
Thomas, Frank (deposition) 341
Troy, Gary S. 423
White, William J. (deposition)..... 354
Wrigley, William, Jr. 366

Defendant's Exhibits:

No. 1—Extract from record, case of Wrigley Co. vs. Continental Vending Co., et al. from Dist. Court for Western Dist. of New York:
Bill of complaint 270
Subpoena 281
Marshal's return 281
Answer 283
Replication 292
Final decree 293
No. 2—File Wrapper of Trade-mark No. 102,000 registered Jan. 19, 1915, by Wrigley Co.. .. 320
No. 3—File Wrapper of Trade-mark No. 102,001 registered Jan. 19, 1915, by Wrigley Co..... 330

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Defendant's Exhibits (Continued):

No. 4—Certificate of registration, etc., of trade-mark No. 64,816 registered by Wrigley Co., Aug. 20, 1907 368
No. 5—File Wrapper of abandoned application for registration of trade-mark of Wrigley Co. filed Dec. 12, 1907..... 372
No. 6—Certificate of registration, etc., of trade-mark No. 98,540 registered by Larson Co. July 21, 1914 380
No. 7—Certificate re: Larson trade-mark No. 98,540 384
No. 8—File Wrapper of Trade-mark No. 98,540 registered by Larson Co., July 21, 1914..... 385
No. 9—Letter, 9-15-08, Wrigley Co. to "Whom it may concern"..... 404
No. 10—Letter, Mar. 21, 1907, Wrigley Co. to Mr. St. Louis 408
No. 11—Letter, June 24, 1907, Wrigley Co. to Mr. St. Louis 409
No. 12—Letter, Dec. 9, 1907, Wrigley Co. to O. St. Louis. 410
No. 13—Letter, Feb. 25, 1908, Wrigley Co. to O. St. Louis 410
No. 14—Letter, May 29, 1914, Larson to Wrigley 467
No. 15—Letter, June 2, 1914, Cox to Larson Co. 468
No. 16—Letter, June 3, 1914, Larson to Wrigley Co..... 468
No. 17—Letter, Aug. 3, 1914, D'Emo to Larson. 474
No. 17½—Letter, May 1, 1914, Larson Co. to Kittredge 477
No. 18—Certificate of registration of Larson trade-mark No. 85,910..... 478

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Defendant's Exhibits (Continued):

No. 19—Certificate of registration of Larson trade-mark No. 107,789 480

No. 2 for identification—Letter, Oct. 1, 1906, Wrigley Co. to Cassidy 496

No. 3 for identification—Letter, Apr. 15, Wrigley Co. to Gorham 497

No. 8 for identification—Letter, Feb. 7, 1917, Aldrich to Smith 493

No. 9 for identification—Letter, Feb. 15, 1917, Smith to Aldrich 498

No. 10 for identification—Letter, Feb. 20, 1917, Aldrich to Smith 500

Exhibits to deposition of Frank F. Pulver:

No. 7—Trade-mark No. 64,816 to Wrigley Co. registered Aug. 20, 1907 248

No. 10—Wrigley-Pulver contract dated Dec. 19, 1913 250

No. 11—Articles of Agreement 252

No. 12—Articles of Agreement 257

No. 13—Final decree, case of Wrigley Co. vs. Di-gesto Co. & Pulver 261

No. 14—Certificate of registration of trade-mark No. 56,205 263

No. 15—Letter, Jan. 29, 1913, Pulver to Larson. 266

No. 16—Letter, Jan. 31, 1913, Pulver to Larson. 267

No. 17—Letter, Aug. 27, 1913, Pulver to Larson. 268

Oral decision of Judge Anderson dismissing both bills and counterclaim 492

Certificate of Judge 501

Certificate of Clerk 501

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Order of Mar. 14, 1917, dismissing bill of complaint No. 30,563 501
Order of Mar. 14, 1917, dismissing plaintiff's bill and defendant's counterclaim, No. 488..... 502
Larson assignment of errors, No. 488..... 502
Wrigley petition for appeal, No. 30,563..... 504
Wrigley assignment of errors, No. 30,563..... 505
Order allowing appeal to Wrigley Co., No. 30,563..... 505
Wrigley petition for appeal, No. 488..... 506
Wrigley assignment of errors, No. 488..... 506
Order allowing appeal to Wrigley Co., No. 488..... 507
Stipulation as to preparing record in consolidated causes for Court of Appeals..... 508
Stipulation extending time to file praecipe and record... 509
Order that record containing all exhibits, etc., be lodged with Court of Appeals..... 509
Order approving Wrigley appeal bond, No. 488..... 510
Order granting leave to defendant to file mandate of Court of Appeals, etc..... 510
Mandate of Court of Appeals filed Sept. 30, 1918, No. 488 511
Mandate of Court of Appeals filed Sept. 30, 1918, No. 30,563 514
Decree of Oct. 14, 1918, No. 488..... 515
Order denying motion to stay proceedings before the Master, No. 488 518
Photographs of Spearmint, Doublemint and Wintermint gum packages, attached to decree.....518a

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

CERTIFICATE OF EVIDENCE.

Evidence and proceedings before the Master:

Rule on Wrigley Co. to furnish account..... 519
Colloquy between counsel..... 753
Motion for instructions to Marwick, Mitchell, Peat & Co., accountants 1154
Ruling of Master on Canadian and Australian accounting 1160
Proceedings of Feb. 16, 1922.....1579-1595

Evidence on behalf of L. P. Larson, Jr., Company:

Witnesses:

Adams, Gertrude 527
Aldrich, Charles H. 2591
Atwater, Burt L. 531
Buck, Charles G. 1559
Buck, Nelson L. 637, 596, 544
Buck, O. J. 526
Cochrane, John J. 528
Constantine, William H. 533
Cox, J. C. 537, 526
Eckerly, Edward W.....
.....2671, 744, 696, 673, 657, 643, 632, 549
Freeman, Herbert C. 1418
Gledhill, Edward 1099
Grzontowski, Bernard F. 530
Hagberg, John S. 1381
Larson, L. P., Jr. 524, 521
Loveless, Mrs. A. G. 522
Paine, Herman S. 1163, 593, 567, 552
Pallin, L. C. 2644
Schrader, William E. 530

L. P. Larson Jr. Company Witnesses (Continued):

Stanley, William H. .....
.....745, 696, 689, 674, 663, 646, 639, 634, 628
Steven, James Angus.....1503
Vincent, W. W.....2699, 2675, 1620, 1339, 1198
Whitworth, Charles Rupert....1597, 1396, 1315, 1145
Wrigley, William, Jr. 592, 582, 568

L. P. Larson, Jr., Company's Exhibits (See also index pages xxxvi to xlii):

No. 1—Letter, Oct. 1, 1918, Aldrich to Judge Baker 522
No. 2—Letter, Oct. 2, 1918, Offield to Judge Baker 523
No. 3—Letter, Oct. 10, 1918, Offield to Judge Baker 524
No. 10—Financial statement of Wrigley Co., dated Jan. 1, 1915 569
No. 11—Financial statement of Wrigley Co., dated Dec. 18, 1915..... 570
No. 12—Financial statement of Wrigley Co., dated Dec. 18, 1916 571
No. 13—Financial statement of Wrigley Co., dated Dec. 18, 1917..... 571
No. 15—Report made to Dun's agency..... 575
No. 18—List of stockholders of Wrigley Companies 588
No. 19—Income tax returns, etc..... 591
Nos. 22A to F—Statements showing general expenses during accounting period, etc. (description of) 646
No. 24—Statement of amounts expended by Wrigley Co. in advertising..... 662

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

L. P. Larson Jr. Company Exhibits (Continued):

No. 26—Outside and inside of Doublemint counterband containing U. P. S. coupon..... 683
No. 27—No. 1 coupon packed with Wrigley Juicy Fruit Long Bar..... 684
No. 28—Five coupon certificate packed in gum boxes..... 685
No. 29—Certificate of 25 coupons issued jobbers' salesmen..... 687
No. 33—(Excerpt) return card..... 783
*No. 31—(Excerpt) pencil notation..... 843
*No. 37—Billboard advertisement..... 726
*No. 38—First Doublemint newspaper ad... 732
*No. 83—Peptomint label..... 946
*No. 91—Letterhead of Larson Co..... 961
*No. 93—Excerpt from report of May 15, 1919, of Edw. R. Burt Co..... 986
*No. 94—Statement of boxes of gum sold by Larson Co. from Dec., 1913, to Nov., 1918 984
*No. 98—List of states in which Larson Co. did business from Dec., 1913, to Aug., 1914..... 992
*No. 101—Statement of sales of Larson Co. of all brands from Jan. to Nov., 1913....1008
*No. 121—List of states in which Wintermint gum was sold from Dec., 1913, to Aug., 1914.....1057
*No. 130—Wintermint counterbands and stick bands, A to D.....1096
No. 138—Statement prepared by Freeman showing per cent of advertising to sales.....1419
No. 168—Statement reconciling figures relating to advertising from records with figures shown by Touche, Niven & Co.....2251

---

* Wm. Wrigley, Jr., Co. Exhibit.

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

L. P. Larson Jr. Company Exhibits (Continued):

No. 185—Charles G. Buck Co. account with Larson Co. from Jan., 1913 to Dec., 1913.....2652
No. 186—Statement of account with Charles G. Buck, June, 1920 to Feb., 1923.....2657
No. 187—Statement of account with Charles G. Buck from Nov., 1911 to Feb., 1913.....2659
No. 188—Statement of account with Charles G. Buck from Jan., 1914 to Aug., 1917.....2661
No. 194—Statement of reserve for redemption of profit sharing coupons.....2685
No. 195—Wrigley Co. donation of Doublemint, 1915.....1351
No. 196—(Excerpts from) Wrigley Co. war tax rebate certificates.....1352

Motion for instructions to Marwick, Mitchell, Peat & Co., accountants.....1154
Ruling of Master on Canadian and Australian accounting.....1160
Letter, Sept. 22, 1908, Caulfield to Zulu Mfg. Co.1071
Letter, June 3, 1913, Throop to Larson Co. with bill.....1073
Letter, July 9, 1919, Aldrich to Master Morrison.....1127
Letter, Jan. 7, 1920, Mayer to Master Morrison.1131
Letter, May 25, 1920, Aldrich to Mayer.....1150

Evidence on behalf of William Wrigley, Jr., Company:

Aldrich, Charles H. 2642, 2605
Atwood, Charles A. 2213, 1915
Becker, Philip L. 2275
Becton, Frederick I. 1885
Bennington, Harold .....
....2704, 2688, 2610, 2512, 2450, 2445, 2440, 2435, 2417

Wm. Wrigley Jr. Company Witnesses (Continued):

Botz, James H. 1776
Brenner, Allan L 1741
Brine, Harry C. 1755
Buck, Nelson L. 2297, 1954
Downey, James T. 2242
Eckerly, Edward W. 2476, 2450, 2442, 2406
Emerich, Melvin M. 2325
Goetzinger, M. E. 1828
Hart, Lee Joseph 1644
Hitchcock, Fremont B. 2329
Hunter, John R. 1942
Hylleberg, Peter A. 2234
Larson, L. P., Jr. .....
..2710, 2635, 2594, 2587, 2507, 2465, 2459, 1133, 1120, 857
Lebair, Harold A. 1801
Kraus, Joseph M. 1597
Mace, Alfred C., Jr.....1702
Mayer, Isaac H. 1951
Mortimore, Edwin Bradley.....1865
Pallin, L. C. 2644, 1949
Parsons, Charles S. 1852
Reinach, Udl M. 1834
Richards, Moses H. 1844
Rieck, Louis C. 1728
Rowley, Benson H. 1688
Schott, Henry 1875, 1626
Sessions, Frank L. 2332
Stanley, William H. 2707, 2686, 2673, 2644,
2601, 2464, 2452, 2439, 2425, 2339, 2248, 2230, 2216, 2120
Stewart, Samuel C. 2224
Toms, Clinton W. 1661
Vincent, W. W. 2267

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

William Wrigley, Jr., Company Exhibits (see also index pages xxii to xxxv):

Touche Exhibit 22—Summary of time sheets.....1262
Touche Exhibits 24A to F—(Excerpts from).....1294
No. 11—Sheet from "Touche working papers"....1621
No. 55—Statement of certificates issued by United Cigar Stores Co. 1890
No. 56—Statement of coupons sold, redeemed by United Profit Sharing Corp.....1893
No. 57—Redemption of Wrigley coupons through mail order dept. compared with total redemptions, 1916 to 1918.....1896
No. 59—United Profit Sharing Corp. percentage of premium articles issued by coupon value.....1900
No. 60—United Cigar Stores Co. percentage of premium articles issued by coupon value.....1901
No. 63—Atwood 2—Statement of coupon account of Proctor & Gamble Dist. Co.1910 to 1921.....1919
No. 63—Atwood 3—Analysis Proctor & Gamble Dist. Co.'s premium coupons received in mails Nov. 3, 1922 1921
No. 63—Atwood 7—Statement of coupon account, 1904 to 1921 2215
No. 64—Buck No. 14—Table of savings by operating Price machine 1979
No. 64—Buck No. 15—Tabulation, savings Price machine over old machines.....1985
No. 64—Buck No. 17—Tabulation, Chicago sheeting machine savings 1997
No. 64—Buck No. 18—Chicago factory savings in depreciation and interest by operating Price machines 2002

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wm. Wrigley Jr. Company Exhibits (Continued):

No. 64—Buck No. 21—Brooklyn savings by operating Price machines 2012
No. 64—Buck No. 22—Brooklyn sheeting machine savings 2013
No. 64—Buck No. 23—Brooklyn savings in depreciation and interest by operating Price machines.... 2014
No. 64—Buck No. 26—Brooklyn total savings from 1911 to 1918 2017
No. 64—Buck No. 27—Toronto savings by operating Price wrapping machines 2019
No. 64—Buck No. 28—Toronto sheeting machine savings 2019
No. 64—Buck No. 29—Toronto savings in depreciation and interest by operating Price machines.... 2020
No. 64—Buck No. 30—Recapitulation of savings at Toronto 2021
No. 64—Buck No. 43—Savings effected by use of Price type wrapping machines KL & KLM from Aug., 1914, to Nov., 1918, in wrapping s s gum.... 2031
No. 64—Buck No. 46—Chicago recapitulation of savings accruing to Doublemint by being manufactured with patented machinery during accounting period 2040
No. 64—Buck No. 55—Chicago, Brooklyn and Toronto recapitulation of savings accruing to Doublemint by being manufactured with patented machinery 2046
No. 65—Stanley No. 33—War tax rebate certificate. 2262
Salary of executive officers from 1911 to 1918..... 2393
No. 72—Doublemint coupon wrapper..... 2406
No. 79—Counterband Doublemint gum made for Van-Noy Interstate Co..... 2409

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099 1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wm. Wrigley Jr. Company Exhibits (Continued):

No. 87—Counterband Doublemint gum sold in north China 2411
No. 88—Counterband Doublemint gum sold in France 2411
No. 89—Counterband Doublemint gum sold in Java.2412
No. 90—Counterband Doublemint gum sold in Straits Settlements 2412
No. 91—Statement of sales of Doublemint gum wrapped in foreign language wrappers.....2416
No. 92—Bennington 20—Statement re: Federal Income Tax on profits of Doublemint.....2689
No. 97—Label used on inside cover.....2480
No. 98—Label used on outside cover.....2481
No. 99—Label used on bottom.....2482
No. 100—First Doublemint sales by states.....2484
No. 101—Boxes Doublemint shipped 1914.....2486
No. 102-A—Data on Profit Sharing coupons, 1914 to 1923 2674
No. 107—Percentage of net profits to sales, 1911 to 1918 2688
Larson Exhibit 31—(Excerpt) pencil notation..... 843
Larson Exhibit 37—Billboard advertisement 726
Larson Exhibit 38—First Doublemint newspaper ad. 732
Larson Exhibit 83—Peptomint label 946
Larson Exhibit 91—Letterhead of Larson Co..... 961
Larson Exhibit 93—Excerpt from report of May 15, 1919 of Burt Co. 986
Larson Exhibit 94—Statement of boxes of gum sold by Larson Co. from Dec., 1913 to Nov., 1918..... 984
Larson Exhibit 98—List of states in which Larson Co. did business from Dec., 1913 to Aug., 1914.... 992

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wm. Wrigley Jr. Company Exhibits (Continued):

Larson Exhibit 101—Statement of sales of Larson Co. of all brands from Jan. to Nov., 1913.....1008
Larson Exhibit 121—List of states in which Wintermint gum was sold from Dec., 1913 to Aug., 1914..1057
Larson Exhibit 130—Wintermint counterbands and stick bands 1096
Statement of salaries of executive officers of Wrigley Co., 1911 to 1918.....2393
Notice of attorney's lien.....2458

Extracts called to attention of Master from proceedings before Judge Anderson:

Defendant's Exhibit 14—Letter, May 29, 1914, Larson to Wrigley 2714
Defendant's Exhibit 15—Letter, June 2, 1914, Cox to Larson 2714
Defendant's Exhibit 16—Letter, June 3, 1914, Larson to Wrigley 2715
Exhibit 10—Contract, Dec. 19, 1913, between Wrigley Co., Pulver and Offield.....2731
Exhibit 11—Articles of Agreement.....2733
Exhibit 12—Articles of Agreement.....2738
Exhibit 13—Final decree entered in case of Wrigley Co. vs. Di-gesto Co., et al. in U. S. Dist. Court for Southern Dist. of New York.....2743
Testimony of L. P. Larson, Jr.....2745
Testimony of William Wrigley, Jr.....2748
Testimony of William Scatchard.....2749
Testimony of A. G. Cox.....2479
Testimony of O. J. Buck.....2751
Testimony of R. J. Kittredge.....2752
Testimony of Albert H. Smith.....2753

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Extract from proceedings before Judge Wilkerson (on argument on exceptions to Master's Report):

Memorandum prepared by Bennington and Vincent 2756

Schedule A—Doublemint proportion of total cost of advertising, etc.....2758

Schedule B—Doublemint proportions of total cost of advertising, etc.....2760

Memorandum prepared by Bennington and Vincent relating to "Contingent Liability for U. P. S. Coupons," etc. 2761

Memorandum prepared by Bennington and Vincent relating to "Advertising Material," etc....2761

Memorandum prepared by Bennington and Vincent, etc.....2763

Certificate of Judge 2765

Master's summons 2766

Wrigley Company's statement of account.....2768-2804

Appointment of James Hall as accountant to examine Wrigley Company's books.....2805

James Hall report 2806-2951

Burt statement 2952-2960

Excerpts from Master's Records:

Excerpts from meetings of stockholders of Wrigley Co. 2963

Letter, Jan. 4, 1916, case to Wrigley Co.....2965

Letter, Jan. 6, 1916, Wrigley Co. to Case.....2966

Contract dated Feb. 17, 1916.....2967

Schedule A—Tangible assets.....2969

Schedule B—Intangible assets.....2970

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Excerpts from Master's Records (Continued):

Letters patent incorporating Wrigley Canadian Company 2970
Letter, July 9, 1919, Aldrich to Morrison..... 2978
Letter, Jan. 7, 1920, Mayer to Morrison..... 2981
Special report on Canadian Doublemint accounting, 1916 to 1921..... 2985-3017
Testimony of L. P. Larson, Jr..... 3019
Certificate of Master..... 3023

Order setting date for hearing on motion for rule on Larson to answer certain questions..... 3024
Order continuing motion..... 3024
Opinion in No. 488 filed Mar. 19, 1920..... 3025
Order granting motion to compel Larson to answer certain questions, etc. 3029
Order continuing motion 3030
Stipulation as to transcript of record on appeal and order approving stipulation 3031

MANDAMUS RECORD.

Motion for leave to file petition for writ of mandamus... 3033
Petition for writ of mandamus..... 3033
Exhibit A—Decree (referred to)..... 3040
Exhibit B—Master's order that Wrigley Co. file account 3041
Exhibit C—List of demands and inquiries made with reference to petitioner's business, etc..... 3041
Exhibits D & E—(Referred to)..... 3049

Return to petition for writ of mandamus..... 3050
Exhibit A—Opinion (referred to)..... 3056
Exhibit B—Additional extracts from the records and proceedings before the Master..... 3057

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Notice of filing affidavit 3066
Affidavit of L. P. Larson, Jr.....3067
Exhibit 1—Proposed decree submitted by counsel for Wrigley Co. 3074
Exhibit 2—Proposed decree submitted by counsel for Wrigley Co. 3076
Exhibit 4—(Referred to) 3078
Mandate of Court of Appeals filed Sept. 26, 1921.....3079
Mandamus filed Jan. 24, 1924.....3083

Opening argument by Mr. Mayer.....3093
Argument by Mr. Aldrich.....3099
Reply argument by Mr. Mayer.....3115
Reply argument by Mr. Aldrich.....3176
Motion of Larson Co amend order.....3180
Exhibit A—Extract from proceedings of Sept. 22nd In re what Mr. Mayer intends to prove, etc.....3187
Exhibit B—Excerpts from report of proceedings before Circuit Court of Appeals in re petition of L. P. Larson, Jr. Company.....3189
Proceedings before Circuit Court of Appeals on Oct. 4, 1921, on motion.....3199
Order of Court of Appeals entered Oct. 4, 1921, denying petition for writ of mandamus.....3489

Master's report filed Nov. 13, 1923.....3203-3244
Objection Exhibit A—Objections and exceptions of Wrigley Co. to Master's report.....3245-3309
Wrigley Co. exceptions to Master's report.....3309-3363
Order taking motion for entry of decree under advisement 3363
Order of Mar. 7, 1925, withdrawing decision heretofore field 3363

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Order continuing motion 3364
Order in re exhibits before the Master.....3364
Decision filed Mar. 14, 1925, on exceptions to Master's report 3365-3399
Decree of Mar. 20, 1925.....3400
Petition of Wrigley Co. for appeal.....3401
Assignment of errors of Wrigley Co.....3402-3456
Order allowing appeal to Wrigley Co.....3457
Appeal bond of Wrigley Co.....3458
Petition of Larson Co. for appeal.....3460
Assignment of errors of Larson Co.....3461
Order allowing appeal to Larson Co.....3464
Appeal bond of Larson Co.....3464
Order fixing time to file condensed statement of evidence, etc. 3466
Order extending time to Wrigley Co. to docket case in Circuit Court of Appeals to Aug. 7, 1925.....3467
Order extending time to Larson Co. to file record in Court of Appeals thirty days.....3467
Order continuing motion 3468
Order approving stipulation and extending time to Wrigley Co. to docket case in Court of Appeals to Aug. 12, 1925 3468
Stipulation as to transcript of record and filing and printing same in Court of Appeals.....3469
Order extending time to file record in Court of Appeals to Sept. 28, 1925.....3471
Stipulation and order that Wrigley Co. have to Sept. 1, 1925, to file statement of evidence.....3472
Order extending time to docket case in Court of Appeals to Oct. 20, 1925.....3474
Order extending time to docket case in Court of Appeals to Nov. 23, 1925 3475

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Orders continuing motions to approve or amend statement of evidence 3475-3480
Order extending time to docket case in Court of Appeals to Dec. 23, 1925.....3476
Orders extending time to docket case in Court of Appeals to Jan. 4, 1926.....3480-3481
Order that statement of evidence may be withdrawn to make amendments 3481
Order approving statement of evidence.....3482
Order extending time to docket case in Court of Appeals to Jan. 11, 1926 3482
Order extending time to docket case in Court of Appeals to Jan. 21, 1926.....3483
Sitpulation filed Jan. 16, 1926, directing Clerk to amend transcript 3484
Order as to extensions of time.....3485
Stipulation and directions filed Jan. 25, 1926, to Clerk to amend transcript 3486
Stipulation that Clerk need not make copies of certificate of evidence 3487
Stipulation and directions filed Feb. 22, 1926, to Clerk to amend transcript 3487
Order extending time to docket case in Court of Appeals to Jan. 27, 1926 3492
Larson Company's praecipe for record.....3493
Wrigley Company's praecipe for record.....3495
Certificate of Clerk 3501
Citation to L. P. Larson, Jr., Company.....3502
Citation to Wm. Wrigley, Jr., Company.....3503
Stipulations filed May 12, 1926, that certain duplications in record need not be printed.....3504
Stipulation filed June 2, 1926, correcting record 3505

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

BOOK OF EXHIBITS.
(Volumes 8, 9, 10.)

WRIGLEY EXHIBIT—
(*Introduced by Wm. Wrigley, Jr., Company.*)

No. 1—Advertisement of Paris Garters.....3507
No. 2—Advertisement of Paris Garters.....3508
No. 3—Advertisement of Paris Garters.....3509
No. 4—Advertisement of Paris Garters.....3510
No. 5—Advertisement of Hickory Garters.....3511
No. 6—Advertisement of Hickory Garters.....3512
No. 7—Advertisement of Hickory Garters.....3513
No. 8—Poster advertising Butternut Bread.....3514
No. 8-A—Cut-out advertising Luxury Cake.....3515
No. 9—Advertisement of Schulze's Butternut Bread....3516
No. 9-A—Street car card advertising Schulze's Luxury Cake and Butter-nut Bread.....3517
No. 10—Canadian Gov't receipt dated Nov. 8, 1920.....3518
No. 11—Touche Niven & Co. working sheet No. 790....3519
No. 12-B—Touche Niven & Co. working sheet No. 686...3520
No. 12-A—Touche Niven & Co. working sheet No. 685...3521
No. 15-A—Page from Montgomery Ward catalog.....3522
No. 15-B—Outside cover of catalog.....3523
No. 16—Advertisement of Park & Tilford.....3524
No. 17—Advertisement of Park & Tilford.....3525
No. 18—Advertisement of Liggett & Myers Co.....3526
No. 19—Advertisement of Liggett & Myers Co.....3527
No. 22—Advertisement of Jos. Dixon Co.....3528
No. 23—Advertisement of Jos. Dixon Co.....3529
No. 24—Advertisement of Jos. Dixon Co.....3530
No. 25—Advertisement of Nat. Biscuit Co.....3531
No. 26—Advertisement of Nat. Biscuit Co.....3532
No. 27—Advertisement of Nat. Biscuit Co.....3533

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

No. 28—Advertisement of Corn Products Refining Co...3534
No. 29—Advertisement of Corn Products Refining Co...3535
No. 30—Coupon cut-out of Kirkman's Borax Soap Wrapper 3536
No. 31—Coupon cut-out of Kirkman's Floating Soap Wrapper 3537
No. 32—Coupon cut-out from pasteboard carton containing Kirkman's Soap Powder.....3538
No. 33—Coupon cut-out from paper wrapper around container of Kirkman's Cleanser.....3538
No. 34—Outside and inside of wrapper of Kirkman's Borax Soap 3539-3540
No. 36—Page from Kirkman's premium catalog, 1915...3541
No. 37—First page of notice issued by Kirkman & Son..3542
No. 38—Pages from Legal Stamp Book issued by Merchants Legal Stamp Co.....3543
No. 39—Advertisement of Colgate's Ribbon Dental Cream, etc. 3544
No. 40—Advertisement of Colgate's Cashmere Bouquet Toilet Soap 3545
No. 41—Advertisement of Colgate's Talcs.....3546
No. 42—Advertisement of Bayuk products.....3547
No. 52—Kirkman No. 1—Coupon issued by Kirkman & Son dated 9-06.....3348
No. 53—
Borden No. 1—Label of Borden Co. Magnolia Brand Condensed Milk 3549
Borden No. 2—Label of Challenge Brand Condensed Milk 3550
Borden No. 3—Label of Peninsular Brand Condensed Milk 3551
Borden No. 4—Label of Standard Brand Condensed Milk 3552

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wrigley Exhibit No. 53—(Continued):
Borden No. 5—Label of Darling Brand Condensed Milk 3553
Borden No. 6—Label of Star Brand Condensed Milk.3554
Borden No. 7—Label of Pearl Brand Evaporated Milk 3555
No. 54, Becton No. 1—One-half coupon issued by United Cigar Stores Co. 3556
No. 55—Statement showing number of certificates issued and redeemed yearly by United Cigar Stores Co.....3557
No. 56—Statement showing issue and redempton of U. P. S. regular coupons paid for at time of issue.....3558
No. 57—Statement showing redemption of Wrigley coupons through mail order dept. compared with total redemptions 3558
No. 59—United Profit Sharing Corp. percentage of premium articles issued—by coupon value.....3559
No. 60—United Cigar Stores Co. percentage of premium articles issued—by coupon value.....3559
No. 63—
Atwood No. 1—Star Soap Wrapper used by Proctor & Gamble 1903 to 1916, front and back.....3560-3561
Atwood No. 2—Proctor & Gamble statistical statement of coupon account, 1910 to 1921.....3568
Atwood No. 3—"Analysis" Proctor & Gamble premium coupons received in mails Nov. 3, 1912.....3569
Atwood No. 4—Starr Soap Wrapper used by Proctor & Gamble 1916 to 1918.....3563
Atwood No. 5—Starr Soap Wrapper used by Proctor & Gamble 1918 to 1919.....3564-3565
Atwood No. 6—Star Soap wrapper used by Proctor & Gamble 1919.....3566-3567
Atwood No. 7—Statistical statement, coupon account Proctor & Gamble Co., 1904 to 1921.....3654

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

No. 64—
Buck No. 5—Pat. No. 1,185,822, A. M. Price, June 6, 1916 4448
Buck No. 7—Photograph showing taking gum from kettle and depositing in hopper 3570
Buck No. 8—Photograph showing depositing of sheets of gum on trays 3571
Buck No. 9—Package of gum produced on Redington machine 3572
Buck No. 10—Redington and Condon package 3573
Buck No. 11—Redington, Condon & Bander package. 3574
Buck No. 12—Wrapper for package of Doublemint produced on Price K L M machine 3575
Buck No. 13—Wrapper for package Peppermint produced on Price K L M machine 3576
Buck No. 14—Tabulation recap. of savings Chicago, etc. 3577
Buck No. 15—Tabulation savings by operating Price wrapping machines 3578
Buck No. 16—Wrapper for K L package 3579
Buck No. 17—Tabulation Chicago Sheeting Machine savings 3580
Buck No. 18—Tabulation Chicago Factory savings in depreciation and interest by operating Price machines, etc. 3581
Buck No. 19—Recap. of savings Chicago with interest 6 per cent 3582
Buck No. 20—Recap. of savings Chicago with interest 5 per cent 3583
Buck No. 21—Brooklyn savings by operating Price machines 3584
Buck No. 22—Brooklyn sheeting machine savings ... 3585
Buck No. 23—Brooklyn Factory savings in depreciation and interest 3586

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wrigley Exhibit No. 64—(Continued):
Buck No. 24—Recap. of savings Brooklyn with interest at 6 per cent....3587
Buck No. 25—Recap. of savings Brooklyn with interest at 5 per cent....3588
Buck No. 26—Recap. of savings Brooklyn with interest at 7 per cent....3589
Buck No. 27—Toronto wrapping machine savings...3590
Buck No. 28—Toronto sheeting machine savings....3590
Buck No. 29—Toronto savings in depreciation and interest....3591
Buck No. 30—Recap. of savings Toronto with interest at 7 per cent....3592
Buck No. 31—Recap. of savings Toronto with interest at 6 per cent....3592
Buck No. 32—Recap. of savings Toronto with savings at 5 per cent....3593
Buck No. 33—Contract dated Oct. 15, 1910, between Price and Zeno Mfg. Co....3594
Buck No. 34—Zeno Mfg. Co. proposition to Wrigley Co....3596
Buck No. 35—Conveyance from Zeno Mfg. Co. to Wrigley Co. dated Jan. 3, 1911....3598
Buck No. 36—Assignment of Pat. No. 968,109 to Wrigley Co....3601
Buck No. 37—Assignment of Pat. No. 965,598 to Wrigley Co....3603
Buck No. 38—Assignment of Pat. No. 968,110 to Wrigley Co....3605
Buck No. 39—Assignment of Pat. No. 1,185,822 to Wrigley Co....3607
Buck No. 40—Assignment of Pat. No. 1,109,461 to Wrigley Co....3609

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wrigley Exhibit No. 64—(Continued):
Buck No. 41—Letter, Mar. 9, 1922, Aldrich to Mayer & Lane 3611
Buck No. 42—Letter, Mar. 24, 1922, to Aldrich.....3612
Buck No. 43—Savings by use of Price wrapping machines Aug. 1914 to Nov. 1918.....3613
Buck No. 44—Chicago sheeting machine savings....3614
Buck No. 44-A—Chicago sheeting machine savings during accounting period accruing to Doublemint.3615
Buck No. 45—Chicago Factory savings in depreciation and interest 3616
Buck No. 45-A—Chicago Factory supplementary savings in depreciation and interest.....3617
Buck No. 46—Chicago recap. of savings accruing to Doublemint by being manufactured by patented machinery, etc., with interest at 7 per cent.....3618
Buck No. 46-A—Same as No. 46, with interest at 6 per cent 3618
Buck No. 46-B—Same as No. 46, with interest at 5 per cent 3619
Buck No. 47—Brooklyn savings by use of Price machine, Aug. 1914 to Nov. 1918.....3620
Buck No. 48—Brooklyn sheeting machine savings during accounting period as accruing to Doublemint 3620
Buck No. 49—Brooklyn savings in depreciation and interest by use of Price machines, etc., interest at 7 per cent 3621
Buck No. 50—Brooklyn recap. of savings accruing to Doublemint, etc., interest at 7 per cent.....3622
Buck No. 50-A—Same as Buck No. 50, with interest at 6 per cent 3622

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wrigley Exhibit No. 64—(Continued):
Buck No. 50-B—Same as Buck No. 50 with interest at 5 per cent 3623
Buck No. 51—Toronto savings by use of Price machines from Aug. 1914 to 1915 accruing to Doublemint 3624
Buck No. 52—Toronto sheeting machine savings during accounting period as accruing to Doublemint.. 3624
Buck No. 53—Toronto Factory savings in depreciation and interest by operating Price machines as accruing to Doublemint..... 3625
Buck No. 54—Toronto recap. of savings accruing to Doublemint by being manufactured by patented machinery during accounting period with interest at 7 per cent..... 3626
Buck No. 54-A—Same as Buck No. 54, with interest at 6 per cent..... 3626
Buck No. 54-B—Same as Buck No. 54, with interest at 5 per cent 3627
Buck No. 55—Recap. of savings accruing to Doublemint by being manufactured with patented machinery, Chicago-Brooklyn-Toronto 3628
Buck No. 56-A—Contract dated Jan. 2, 1905, between New York Wrapping Machine Co. and Rubber Paint Co. 3629
Buck No. 56-B—Contract dated Jan. 2, 1905, between New York Wrapping Machine Co. and Rubber Paint Co. 3634
Buck No. 56-C—Contract dated Nov. 17, 1906, between New York Wrapping Machine Co. and Rubber Paint Co. 3639
Buck No. 57—Certified copy assignment of Pat. No. 992,590, to Zeno Mfg. Co..... 3655

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wrigley Exhibit No. 64—(Continued):
Buck No. 58—Assignment of applications which resulted in Pat. No. 992,590 to Wrigley Co.....3657
Buck No. 59—Contract dated Nov. 26, 1909, between Zeno Mfg. Co. and Barbieri and Dellenbarger Co..3659
Buck No. 61—Price KLM machine.....3660
Buck No. 62—Assignment dated Sept. 7, 1910, to Zeno Mfg. Co. 3661
Buck No. 63—Agreement dated Feb. 18, 1911, between Barbieri & Dellenbarger Co., Wrigley Co. and Zeno Mfg. Co.....3663
Buck No. 64—Payments made in connection with Price machines 3665

No. 65—
Stanley No. 1—Document headed "Filed Account..3642
Stanley No. 2—Revision of Field Account.....3642
Stanley No. 3—Method "A" 3643
Stanley No. 4—Statement re advertising.....3644
Stanley No. 5—Statement of cost of "Wrigley's" in ads 3644
Stanley No. 6—Amount included in Method "A" for "Wrigley's".....3644
Stanley No. 7—Document, "A-1".....3645
Stanley No. 8—Document, "Method A-1".....3645
Stanley No. 9—Differences between Method A and Method A-1 3646
Stanley No. 10—Cost of ads where no brand is mentioned 3647
Stanley No. 11—Document "B".....3647
Stanley No. 12—Method B 3648
Stanley No. 13—Advertising charged to Doublemint 3649

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wrigley Exhibit No. 65—(Continued):
Stanley No. 14—Cost of prominent "Wrigley's" in ads 3649
Stanley No. 15—Amount included in Method B for "Wrigley's" 3649
Stanley No. 16—Statement B-1 3650
Stanley No. 17—Statement "Method B-1" 3650
Stanley No. 18—Difference between Method B and Method B-1 3651
Stanley No. 19—Cost of prominent "Wrigley's" in ads (under Method B-1) 3652
Stanley No. 20—Cost of Doublemint advertising 3652
Stanley No. 30—Match book cover 3653
Stanley No. 31—Statement of net sales by months, 1913 and 1914 3669
Stanley No. 32—Distribution of United Cigar Stores . 3670
Stanley No. 33—War tax rebate certificate 3671
No. 70—Emerich 1—Statement "New issues of preferred stock offered by Ames, Emerich & Co 3672
No. 71—Stanley No. 1—Summary 3673
No. 72—Doublemint counterband at time it was first marketed 3681
No. 79—Doublemint counterband wrapper coupon put out for Van Noy Interstate Co 3682
No. 80—Doublemint counterband wrapper coupon put out for Union News Co 3683
No. 81—Doublemint counterband wrapper coupon put out for Parker Ry. News Co 3684
No. 82—Doublemint counterband wrapper coupon put out for Long Island News Co 3685
No. 83—Doublemint counterband wrapper coupon put out for Inter City Car Adv. Co 3836

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

No. 84—Doublemint counterband wrapper coupon put out for Crescent News & Hotel Co.....3687
No. 85—Doublemint counterband wrapper coupon put out for Broadway Subway & Home Boroughs Car Adv. Co.....3688
No 86—Doublemint counterband wrapper coupon put out for A. D. & N. Co.....3689
No. 87—Doublemint counterband wrapper coupon sold in North China 3690
No. 88—Doublemint counterband wrapper coupon sold in France 3691
No. 89—Doublemint counterband wrapper coupon sold in Java 3692
No. 90—Doublemint counterband wrapper coupon sold in Straits Settlements 3693
No. 91—Statement of domestic and foreign sales.....3694
No. 92—
Bennington No. 1—Reckitt Report, Revised accounting filed by Wrigley Co.....3695
Index to attached exhibits and statements.....3712
Bennington No. 2—Manufacturing profit on Doublemint, etc. 3800
Bennington No. 3—Interest on capital invested at 5 per cent 3801
Bennington No. 4—Interest on capital invested at 6 per cent 3804
Bennington No. 5—Interest on capital invested at 5 per cent (excluding good will, etc).....3807
Bennington No. 6—Statement similar to Bennington No. 5 with interest at 6 per cent.....3809
Bennington No. 7—Interest on capital invested in patents, etc., at 5 per cent.....3811

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wrigley Exhibit No. 92—(Continued):
Bennington No. 8—Statement similar to Bennington No. 7 with interest at 6 per cent.....3813
Bennington No. 9—Interest on capital invested in patents, etc., average value yearly, interest at 5 per cent.....3815
Bennington No. 10—Statement similar to Bennington No. 9 with interest at 6 per cent.....3816
Bennington No. 11—Interest on good will at 5 per cent.....3817
Bennington No. 12—Interest on good will at 6 per cent.....3818
Bennington No. 13—Interest on good will at 5 per cent per annum.....3819
Bennington No. 14—Statement similar to Bennington No. 13 with interest at 6 per cent.....3820
Bennington No. 15—Proportion of interest on good will, etc. (six sheets).....3821-3826
Bennington No. 16—Statement of percentage of amount of Doublemint sales to amount of all gum sales, etc.....3828
Bennington No. 17—Statement of advertising which would be chargeable to Doublemint, etc.....3827
Bennington No. 18—Reconciliation of 1917-1918 profits shown by books of account.....3829
Bennington No. 19—Documents entitled, Accounts showing profits and losses from July, 1914 to Nov. 1918, from sales of Doublemint with counterband wrappers not bearing name of Wrigley Co. as manufacturers.....3830-3851
Bennington No. 20—Calculation of Federal Income Taxes on profits of Doublemint.....3852
Bennington No. 21—Dividends on investments not included in revised account.....3853

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

No. 93—Financial statement of Wrigley Co.....3855
No. 94—Corporation income tax return of Wrigley Co. for 1918 3856
No. 95—Foreign sales from Jan. 1911 to July 1914.....3862
No. 97—Label used on Doublemint Box.....3863
No. 98—Label used on Doublemint Box.....3864
No. 99—Label used on Doublemint Box.....3865
No. 100—First Doublemint sales.....3866
No. 101—Boxes Doublemint shipped, 1914.....3867
No. 102-A—Corrected statement re: United Profit Sharing coupons 3868
No. 104—Invoice showing payment for ad.....3869
No. 105—Notice of attorney's lien.....3870
No. 107—Percentage of net profits of sales 1911 to 1918..3871
No. 108—Certified copy opinion of Iowa District Court, case of Elizabeth Bettendorf v. Jos. Bettendorf, et al..3872

LARSON EXHIBIT—
(*Introduced by Wm. Wrigley Jr. Co.*)

No. 30—Newspaper advertisements.....3890-3891
No. 31—Pages from Wrigley advertising book....3892-3895
No. 32—Pages from Wrigley advertising book....3896-3897
No. 35—Pages from Wrigley advertising book....3898-3902
No. 36—Pages from Wrigley advertising book....3903-3904
No. 37—First Doublemint Billboard Ad.....3905
No. 38—First Doublemint Newspaper Ad.....3906
No. 53—Ad appearing in N. Y. Elevated Station.....3907
No. 54—Statement of foreign advertising expenses.3908-3912
No. 55—Bill from Stewart-Davis Adv. Agency to Wrigley Co. 3913-3962
No. 56—Partial list of merchandise offered in exchange for United Profit Sharing Coupons.....3963-3965
No. 57—Doublemint photo ad 3966

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wrigley Co. Exhibits, marked Larson Exhibit—(Continued):
No. 59—Photo ad 3967
No. 60—Photo ad 3968
No. 61—Photo ad 3969
No. 62—Photo ad 3970
No. 63—Photo ad 3971
No. 64—Photo ad 3972
No. 65—Photo ad 3973
No. 66—Photo ad 3974
No. 67—Photo ad 3975
No. 68—Photo ad 3976
No. 69—Photo ad 3977
No. 70—Pages from Larson Co. minute book.....3978
No. 71—Pages from Larson Co. minute book.....3980
No. 74—Larson Co. ledger sheet.....3982
Nos. 76 and 77—Pages from combined journal and cash book of Larson Co.....3983
No. 78—Advertising sheet from Larson ledger.....3984
No. 80—Contract dated Aug. 22, 1911, between Larson Co. and Berger Co. 3986
No. 83—First Peptomint label 3988
No. 85—Larson Co. Letterhead 3989
No. 86—Peptomint Counterband 3990
No. 87—Peptomint Stick Wrapper.....3991
No. 88—Peptomint Coupon 3992
No. 89—Larson Co. circular letter.....3993
No. 91—Larson Co. letterhead.....3994
No. 93—Burt statement re: Wintermint sales.....3995
No. 94—Larson statement of boxes of gum sold.....3997
No. 98—Larson sales by states.....3999
No. 101—Larson statement of boxes of gum sold part of 1913 4000
Nos. 102 to 109—Loose leaf ledger sheets of Larson Co. 4001-4014

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

Wrigley Co. Exhibits, marked Larson Exhibit—(Continued):
No. 110—Page from Larson Journal re: Reddington machine 4015
No. 111—Page from Larson Journal re: Reddington machine 4017
No. 112—Larson Co. photo ad.....4019
No. 113—Larson Co. photo ad.....4020
No. 114—Larson Co. photo ad.....4021
No. 121—Initial sales of Wintermint by states.....4022
No. 126—Sales of Peptomint gum part of 1912, through Zulu Mfg. Co. 4023
No. 130—Two wrappers and counterbands of Wintermint gum 4024
No. 146—Freeman schedule re: capital stock and surplus of Wrigley 4025
No. 147—Working sheet of Touche Niven & Co.....4027
No. 148—Working sheets of Touche Niven & Co. re: sales 4028-4032
No. 154—Steven working papers.....4033
No. 167—Time spent in preparing details of revised amounts to be debited to Doublemint.....4037
No. 185—Larson Co. billhead 4038
No. 198—Documents in re: compensation of Freeman.. 4039-4044

TOUCHE EXHIBIT—
(*Introduced by Wm. Wrigley Jr., Company.*)
No. 24-A—Working sheets 4050
No. 25-A—Working sheets re: Miscellaneous advertising 4053
No. 26—Wrigley notes on advertising.....4055

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

LARSON EXHIBIT—

(Introduced by L. P. Larson Jr., Company.)

No. 1—Letter, Oct. 1, 1918, Aldrich to Judge Baker.....4060
No. 2—Letter, Oct. 2, 1918, Offield to Judge Baker.....4061
No. 3—Letter, Oct. 10, 1918, Aldrich to Judge Baker....4063
No. 4—Ad in Sat. Evening Post of Mar. 21, 1914.....4064
No. 9—Ad in Sat. Evening Post of Dec. 12, 1914.....4065
No. 10—Statement of Wrigley Co. Assets and Liabilities, Jan. 1, 1915.....4066
No. 11—Statement of Wrigley Co. Assets and Liabilities Dec. 18, 1915 4067
No. 12—Statement of Wrigley Co. Assets and Liabilities, Dec. 18, 1916 4068
No. 13—Statement of Wrigley Co. Assets and Liabilities Dec. 18, 1917 4069
No. 14—Notice dated Dec. 6, 1918.....4070
No. 15—Statement of Dun Agency.....4071
No. 16—Excerpts of minutes of directors meeting re: Canadian Co., etc., on Jan. 5, 1916.....4072
No. 17—Excerpts of minutes of stockholders held Jan. 5, 1916, etc. 4088
No. 18—Stockholders of Wrigley Companies.....4095
No. 19—Income tax returns and corporation excess profits tax returns 4098-4111
No. 21-A—Doublemint sales Toronto part of 1914.....4112
No. 21-B—Doublemint sales Toronto Jan. to June, 1915..4112
No. 21-C—Doublemint sales Toronto June to Dec., 1915..4113
No. 21-D—Doublemint sales July, 1914, to Nov., 1914...4113
No. 21-E—Doublemint sales Dec. 1 to Dec. 31, 1914.....4114
No. 21-F—Doublemint sales, 1915.....4114
No. 21-G—Doublemint sales, 1916.....4115
No. 21-H—Doublemint sales, Jan. to Oct., 1917.....4116
No. 21-I—Doublemint sales, Nov. 1, 1917 to Dec. 31, 1917.4117

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4481.)

No. 21-J—Doublemint sales, Jan. to Aug., 1918.....4118
No. 22-A—General expense, July to Dec., 1914.....4119
No. 22-B—General expense, 1915.....4120
No. 22-C—General expense, 1916.....4121
No. 22-D—General expense, 1917.....4122
No. 22-E—General expense, Jan. to Aug., 1918.....4123
No. 22-F—General expense, Aug., 1918 to Oct., 1918....4124
No. 24—Amounts for advertising all brands.....4124
No. 25-A—Doublemint sales, Aug. to Oct., 1918.....4125
No. 25-B—Doublemint sales, Oct. to Nov., 1918.....4125
No. 26—Outside and inside of Doublemint counterband..4126
No. 27—Coupon packed with Juicy Fruit.....4127
No. 28—Dealers 5 coupon certificate.....4128
No. 29—Dealers 25 coupon certificate.....4129
*No. 30—Newspaper advertisements.....3890-3891
*No. 31—Pages from Wrigley advertising book.3892-3895
*No. 32—Pages from Wrigley advertising book.3896-3897
*No. 35—Pages from Wrigley advertising book.3898-3902
*No. 36—Pages from Wrigley advertising book.3903-3904
*No. 37—First Doublemint billboard ad.....3905
*No. 38—First Doublemint newspaper ad.....3906
No. 44—Photo ad 4130
No. 45—Photo ad 4131
No. 46—Photo ad 4132
No. 48—Photo ad 4133
No. 49—Photo ad 4134
No. 50—Photo ad 4135
*No. 53—Ad appearing in N. Y. Elevated Station..3907
*No. 54—Statement of foreign advertising expenses 3908-3912
*No. 55—Bill from Stewart-Davis Adv. Agency to Wrigley Co. 3913-3962

* Wm. Wrigley, Jr., Co. Exhibit.

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

*No. 56—Partial list of merchandise offered in exchange for United Profit Sharing Coupons..3963-3965
*No. 57—Doublemint photo ad.....3966
*No. 59—Photo ad 3967
*No. 60—Photo ad 3968
*No. 61—Photo ad 3969
*No. 62—Photo ad 3970
*No. 63—Photo ad 3971
*No. 64—Photo ad 3972
*No. 65—Photo ad 3973
*No. 66—Photo ad 3974
*No. 67—Photo ad 3975
*No. 68—Photo ad 3976
*No. 69—Photo ad 3977
*No. 70—Pages from Larson Co. minute book.....3978
*No. 71—Pages from Larson Co. minute book.....3980
*No. 74—Larson Co. ledger sheet.....3982
*No. 76 and No. 77—Pages from combined journal and cash book of Larson Co.....3983
*No. 78—Advertising sheet from Larson Co. ledger.3984
*No. 80—Contract dated Aug. 22, 1911, between Larson Co. and Berger Co. 3986
*No. 83—First Peptomint label 3988
*No. 85—Larson Co. letterhead.....3989
*No. 86—Peptomint counterband 3990
*No. 87—Peptomint stick wrapper 3991
*No. 88—Peptomint coupon 3992
*No. 89—Larson Co. circular letter 3993
*No. 91—Larson Co. letterhead 3994
*No. 93—Burt statement re: Wintermint sales.....3995
*No. 94—Larson statement of boxes of gum sold...3997

---

* Wm. Wrigley, Jr., Co. Exhibit.

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

*No. 98—Larson sales by states.....3999
*No. 101—Larson statement of boxes of gum sold part of 1913.....4000
*Nos. 102 to 109—Loose leaf ledger sheets of Larson Co. 4001-4014
*No. 110—Page from Larson Journal re: Reddington machine 4015
*No. 111—Page from Larson Journal re: Reddington machine 4017
*No. 112—Larson Co. photo ad.....4019
*No. 113—Larson Co. photo ad.....4020
*No. 114—Larson Co. photo ad.....4021
*No. 121—Initial sales of Wintermint by states.....4022
*No. 126—Sales of Peptomint gum part of 1912 through Zulu Mfg. Co. 4023
*No. 130—Two wrappers and counterbands of Wintermint Gum 4024
No. 132—Report prepared by Touche-Niven & Co.....4136
No. 133—Bill of complaint and decree, case of Wrigley Co. v. Toledo Chewing Gum Co.....4179
No. 134—Bill of complaint and decree, case of Wrigley Co. v. Goodrich, et al.....4193
No. 135—Bill of complaint and decree, case of Wrigley Co. v. Helmet Co.....4206
No. 136—Bill of complaint and decree, case of Wrigley Co. v. Goldnback.....4220
No. 137—Two bills of complaint and decrees, case of Wrigley Co. v. Colker.....4233
No. 138—Freeman statement re: sales and advertising..4257
No. 139—Freeman tabulation of advertising.....4258
No. 140—Tentative calculation value of good will.....4259

* Wm. Wrigley, Jr., Co. Exhibit.

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

No. 141—Financial statement Wrigley Co. Jan. 1, 1910..4260
No. 142—Financial statement Wrigley Co. Dec. 31, 1911.4260
No. 143—Financial statement Wrigley Co. Dec. 31, 1912.4261
No. 144—Financial statement Wrigley Co. Dec. 31, 1913.4261
No. 145—Memorandum on value of good will.....4262
No. 145-A—Revised statement of No. 145.....4263
*No. 146—Freeman schedule re: capital stock and surplus of Wrigley Co.....4025
*No. 147—Working sheet of Touche Niven & Co....4027
*No. 148—Working sheets of Touche Niven & Co. re: sales 4028-4032
No. 151—Freeman valuation of good will.....4264
No. 152—Report of Angus Steven Co. on good will.....4266
No. 153—Wrigley Co. common stock.....4273
*No. 154—Steven working papers.....4033
No. 155—Article by Freeman on good will.....4276
No. 156—Match container 4294
No. 162—Contract dated Oct. 24, 1912, between Price and Wrigley Co. 4295
No. 163—Contract dated Aug. 5, 1915, between Price and Wrigley Co. 4298
No. 164—Contract dated July 18, 1916, between Price and Wrigley Co. 4303
No. 167—Time spent in preparing details of revised amounts to be debited to Doublemint.....4309
*No. 167—Same as above (a Wrigley exhibit).....4037
No. 168—Statement reconciling advertising figures with Touche-Niven 4310
No. 169—Letter, Apr. 7, 1909, Barbieri to Zeno Mfg. Co..4311
No. 170—Letter, July 9, 1910, Dellenbarger to Zeno Mfg. Co.....4312
No. 171—Letter, July 13, 1910, Dellenbarger to Zeno Mfg. Co.....4313

---

* Wm. Wrigley, Jr., Co. Exhibit.

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

No. 172—Letter, Aug. 19, 1910, Dellenbarger to Zeno Mfg. Co. 4314
No. 173—Document, Hauling stock, etc., from old to new plant 4315
*No. 185—Larson Co. billhead 4038
No. 189—Check, Jan. 7, 1914, Larson to Buck 4319
No. 190—Stub of check 4320
No. 191—Letter, Oct. 8, 1918, Parkinson & Lane to Aldrich with 2 forms of decree attached 4321
No. 192—Letter, Oct. 10, 1918, Parkinson & Lane to Aldrich with 2 forms of decree attached 4326
No. 193—Vincent statement on U. P. S. coupons 4330
No. 194—Wrigley Co. reserve for redemption of U. P. S. coupons 4331
No. 196—Statement of relation of profits to sales, 1914 to 1918 4332
No. 197—Working sheet showing relation of profits to net sales 4333
*No. 198—Documents in re: compensation to Freeman 4039

BUCK EXHIBIT—
(*Introduced by L. P. Larson Jr., Company.*)

A—Summary of Doublemint manufacturing costs, 1914-1918 4335
B—Doublemint Chicago factory costs, 1914 4336
C—Doublemint Chicago factory costs, 1915 4337
D—Doublemint Chicago factory costs, 1916 4338
E—Doublemint Chicago factory costs, 1917 4339
F—Doublemint Chicago factory costs, 1918 4340
G—Summary of supplementary Doublemint costs Chicago factory, 1918 4341
H—Doublemint Brooklyn factory costs, 1914 4342

* Wm. Wrigley, Jr., Co. Exhibit.

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

I—Doublemint Brooklyn factory costs, 1915.....4343
J—Doublemint Brooklyn factory costs, 1916.....4344
K—Doublemint Brooklyn factory costs, 1917.....4345
L—Doublemint Brooklyn factory costs, 1918.....4346
M—Supplementary Doublemint costs Brooklyn factory..4347

TRADE-MARK.

No. 85,910, L. P. Larson, Jr. Co., Mar. 26, 1912.....4348

U. S. LETTERS PATENT.

No. 942,101, A. M. Price, Dec. 7, 1909.....4350
No. 965,598, A. M. Price, July 26, 1910.....4382
No. 968,109, C. Barbieri, Aug. 23, 1919.....4396
No. 968,110, C. Barbieri, Aug. 23, 1910.....4406
No. 992,590, A. M. Price, May 16, 1911.....4410
No. 1,109,461, A. M. Price, Sept. 1, 1914.....4416
No. 1,185,822, A. M. Price, June 6, 1916.....4448

(Vol. I, 1-518; Vol. II, 519-1098; Vol. III, 1099-1596; Vol. IV, 1597-1958; Vol. V, 1959-2444; Vol. VI, 2445-3032; Vol. VII, 3033-3504; Vol. VIII, 3507-3800; Vol. IX, 3801-4059; Vol. X, 4060-4491.)

14 LARSON EXHIBIT NO. 1.

"Chicago, October 1, 1918.

Hon. Francis E. Baker,
Presiding Justice,
U. S. Circuit Court of Appeals,
Federal Bldg.,
Chicago, Ill.,
15 Dear Sir:—

An attempt is being made by Mr. Offield to substitute a Doublemint package without the double seal, or outside green wrapper for the individual sticks, for the package with green wrappers around the individual sticks and sealed with a green paper around the five sticks constituting the package as filed as an exhibit to his bill and introduced in evidence by him, a sample of which is enclosed herewith.

The contention is made that your adjudication therefore only applies to a package in which the green individual sticks appear as in the Wintermint package, and that you have not adjudicated the sealed package in green paper, the only one before you at the hearing.

All the exhibits of Doublemint are missing from the files. Fortunately, the record as remaining in the clerk's office of your court, yet contains internal evidence of the utter falsity of this contention.

We therefore respectfully request, First, that you direct the clerk's office to make thorough search for the missing exhibits filed with the original bill on July 15, 1915, and, Second, that he take possession of the Certificate of Evidence and Exhibits in said cause and retain them without opportunity for anybody to change them until he brings them before Judge Carpenter on Thursday morning, October 3, 1918, at 10 o'clock A. M.

We are sending a copy of this letter to Mr. Offield.

Very respectfully yours,"

CHA-L.

16 LARSON EXHIBIT NO. 2.

"October 2nd, 1918.

Hon. Francis E. Baker,
Presiding Justice U. S. Circuit Court of Appeals,
Federal Building,
Chicago, Illinois.
Dear Sir:

Upon several occasions Mr. Aldrich has directed letters to your honor as well as to Master in Chancery Morrison with reference to these cases, and heretofore I have not deemed it necessary to make any reply.

In Mr. Aldrich's letter of October 1st, however, there is an apparent attempt to have it appear that a substitution of exhibits has been made and the request that you direct the Clerk to take custody of the exhibits until the hearing Thursday morning is of such a nature that I feel some explanation should be made, although I dislike troubling your Honor with any quibble of this kind.

At the time the bill of complaint was filed the complainant's Doublemint box of chewing-gum was identified as 'Complainant's Exhibit No. 3' and a box thereof attached to the bill of complaint. At that time neither the complainant's Spearmint nor Doublemint gum were wrapped in a wax wrapper as
17 this method of wrapping gum was not commercially introduced by Wm. Wrigley Jr. Company until after the bill of complaint was filed. I have always found in these chewing-gum cases that a large part of the contents of the boxes of gum, if not all, have been removed after the exhibits were placed on file, presumably for consumption, and this has made no particular difference because the contents of the cartons could very readily be replaced by me at small cost.

At the time the case was tried in the lower court my recollection is that there were two exhibits missing; first, the carton in which the defendant Larson's product was contained, and which I alleged in the bill and contended infringed the Wrigley carton. This exhibit was never found to my recollection nor was one present before the Court of Appeals, although I endeavored to obtain one. I believe also that the individual packages of gum in the Wrigley Exhibit No. 3 attached to the bill of complaint were also missing and when the case was tried I substituted a box of Doublemint chewing-gum which was similar in all respects to the original Ex-

hibit No. 3 except that the individually wrapped sticks of gum were held together by a wax wrapper, which in turn was enclosed in the regular Doublemint counterband or label. By removing the wax wrapper from the individual packages, such packages would have been exactly the same as the individual packages contained in Exhibit No. 3 and I so stated to the Court.

I have had sufficient experience, in this litigation at least, to know that it is necessary to confine every written document to its minutest detail in order that there may be no misunderstanding and to guard against any misconception of the facts on the part of the Court.

My statement to Mr. Aldrich was that the injunction should be confined to the marketing of a package as identified by Exhibit No. 3 or any simulation thereof, and my statement was that Exhibit No. 3 did not have the wax wrapper. The only person that I know of that has handled these exhibits since the trial in the lower court is Mr. Aldrich, for I have never been in the Clerk's office, either in the District Court or in the Court of Appeals, in connection with this matter since the day the case was tried before the Court of Appeals, and the Clerk of the Court or any deputies thereof would bear out this statement on my part.

I am sending a copy of this letter to Mr. Aldrich.

Very respectfully yours,"

JRO-B

18 LARSON EXHIBIT NO. 3.

"Chicago, October 10, 1918.

Hon. Frances E. Baker,
Presiding Justice,
U. S. Circuit Court of Appeals,
Federal Bldg.,
Chicago.

19 Dear Sir:—

We have received a copy of Mr. Offield's letter to you of October 2, 1918, in which he states that Complainant's Exhibit No. 3 was an unsealed package and that 'at that time neither the complainant's Spearmint nor Doublemint gum were wrapped in a waxed paper, as this method of wrapping gum was not commercially introduced by Wm. Wrigley Jr. Company until after the bill of complaint was filed.'

The fact is that no unsealed package, either of Spearmint or Doublemint, was ever used by Wm. Wrigley Jr. Co. subsequent to March 21, 1914, about one year and three months prior to the filing of the suit in question. Advertisements showing the sealed package will be found in the Saturday Evening Post of March 21, 1914, pp. 36-37; April 11, 1914, page 42; July 4, 1914, page 30; October 31, 1914, pp. 26-27; December 12, 1914, page 29. All of these advertisements were of sealed Spearmint packages except the last, December 12, 1914, which was the Doublemint package. Reference could be made to numerous other periodicals, but this is sufficient.

We are sending a copy of this letter to Mr. Offield, and trust that the conduct of this gentleman will not make it necessary for us to again address the court.

Yours very truly,"

CHA-L.

Sealed!
WRIGLEY'S SPEARMINT
is now electrically sealed with a "SEAL OF PURITY" so absolute that it is water-proof, damp-proof, dust-proof, impurity-proof—even air-proof!
WRIGLEY'S SPEARMINT PEPSIN GUM
THE FLAVOR LASTS
CHICAGO
Gives regular aid to teeth, breath, appetite and digestion. It's the safe besides delicious and beneficial confection!
BUY IT BY THE BOX
for 85 cents—at most dealers.
Each box contains twenty 5 cent packages. They stay fresh until used.
It's clean, pure, healthful
if it's WRIGLEY'S
Look for the spear
Chew it after every meal

Add to Christmas Joys!

WRIGLEY'S

will help, indeed, to make a Merry Christmas.

Long-lasting delight and friendly aid to digestion at this season of hearty feasting.

United PROFIT SHARING Coupon UNITED PSC on each package

These coupons add still more to Xmas delights as they are good toward valuable presents in which the whole family will be interested.

WRIGLEY'S SPEARMINT has the delightful flavor of fresh mint leaves.

WRIGLEY'S DOUBLEMINT has the new double strength Peppermint flavor.

These **WRIGLEYS** "twins" bring great benefit —they brighten the teeth—sweeten the mouth and breath —soothe the throat and help appetite and digestion.

They do not burden the stomach.

—"after every meal"

192 LARSON EXHIBIT No. 10

"STATEMENT
WM. WRIGLEY JR. COMPANY.
JANUARY 1st, 1915.

ASSETS.

Cash in Banks			$ 449,999.97	
Cash on Hand			2,000.00	
Accounts Receivable			789,939.02	
Bonds			31,500.00	
Claims			685.13	
Notes Receivable			1,864.64	
Merchandise & Supplies on hand			2,648,677.42	
Advances			62,009.74	$3,986,675.92
Real Estate & Buildings			1,149,083.51	
Machinery & Equipment			440,301.84	
Power Plant			80,851.01	
Office Fixtures			35,272.01	
Motor Trucks			14,071.36	1,719,579.73
Good Will & Trade Marks				7,500,000.00
				$13,206,255.65

LIABILITIES

Accounts Payable			32,466.75	
Capital Stock			9,000,000.00	
Common 7,500,000.00				
Preferred 1,500,000.00				
Surplus Jan. 1st 1914		3,877,645.73		
Profits for year 1914	1,399,404.75			
Less Dividends paid	1,215,000.00			
Surplus for year ending 12/31/14		184,404.75		
Surplus Jan. 1st, 1915			4,062,050.48	
Depreciation Reserve			111,738.42	
				$13,206,255.65

Sales for Year 1914	$8,008,536.07
Profits for Year 1914	1,399,404.75

194 LARSON EXHIBIT No. 11

DECEMBER 18th, 1915

ASSETS

Cash			
Cash in Banks		$ 820,429.94	
Cash on hand		2,000.00	
Accounts Receivable		828,917.34	
Notes Receivable		88,363.06	
Claims		18,219.72	
Merchandise & Supplies on Hand		3,057,298.87	
Australian Factory Material & Supplies		52,232.06	
Advances		77,135.21	4,944,596.20
Real Estate & Buildings		$1,353,324.05	
Machinery & Equipment		502,793.11	
Power Plant—Chicago Factory		80,928.70	
Office Fixtures		41,943.65	
Motor Trucks		17,697.56	1,996,687.07
Good Will and Trade Marks			7,500,000.00
			$14,441,283.27

LIABILITIES

Accounts Payable			$ 176,882.10	
Capital Stock			9,000,000.00	
Common	$7,500,000.00			
Preferred	1,500,000.00			
Surplus Dec. 21, 1914		4,062,950.48		
Profits for year 1915	2,048,823.12			
Less Dividends Paid	1,065,000.00			
Surplus for year ending Dec. 18, 1915		983,823.12		
Surplus Dec. 20, 1915			5,046,773.60	
Depreciation for Reserve			217,627.57	
				$14,441,283.27

Sales for year 1915	9,717,145.33
Profits for year 1915	2,048,823.12

196 LARSON EXHIBIT No. 12

DECEMBER 18, 1916

ASSETS.

Cash in Banks			$ 750,447.02	
Cash on Hand			2,000.00	
Accounts Receivable			1,089,535.18	
Notes Receivable			87,566.40	
Investment Bonds			266,504.85	
Stock in Subsidiary Companies			1,213,890.00	
Claims			71,727.80	
Merchandise & Supplies on hand			3,042,362.51	
Advances			117,165.37	6,641,199.13
Real Estate & Buildings			$1,110,858.68	
Machinery & Equipment			516,167.76	
Power Plant—Chicago Factory			80,964.48	
Office Fixtures			50,404.19	
Motor Trucks			20,421.49	1,778,816.60
Good Will and Trade Marks				7,500,000.00
				$15,920,015.73

LIABILITIES

Accounts Payable			$ 49,320.54	
Capital Stock			9,000,000.00	
Common	$7,500,000.00			
Preferred	1,500,000.00			
Surplus Dec. 19, 1915		$5,046,773.60		
Plus additional during 1916		32,572.09		
		5,079,345.69		
Profits for year 1916	2,443,030.04			
Dividends paid 1916	1,440,000.00			
Surplus for year ending Dec. 18, 1916		1,003,030.04		
Surplus Dec. 19, 1916			6,082,375.73	
Reserve for Depreciation			313,018.76	
Reserve for U. P. S. Coupon Redemptions			475,300.70	
				$15,920,015.73

Sales for year 1916	$12,482,342.87
Profits for year 1916	2,443,030.04

LARSON EXHIBIT No. 13

198

DECEMBER 18, 1917
as of
DECEMBER 31, 1917

ASSETS

Cash in Banks			$1,174,892.45	
Cash on Hand			2,500.00	
Accounts Receivable			1,215,566.50	
Notes Receivable			1,485,149.60	
Investment Bonds			225,000.00	
U. S. Liberty Loan Bonds			693,791.00	
Stock in Subsidiary Companies			1,218,390.00	
Claims			35,684.25	
Merchandise & Supplies on Hand			2,796,788.77	
Advances			276,041.93	$9,123,804.50
Real Estate & Buildings			$1,084,924.16	
Machinery & Equipment			719,533.86	
Power Plant—Chicago Factory			84,854.49	
Office Fixtures			51,029.34	
Motor Trucks			27,519.24	1,967,861.09
Patents, Patent Rights, Good Will & Trade Marks				7,500,000.00
				$18,591,665.59

LIABILITIES.

Accounts Payable			$ 49,946.12	
Capital Stock			11,500,000.00	
Common	$10,000,000.00			
Preferred	1,500,000.00			
Surplus Dec. 19, 1916		$6,082,375.73		
Less Stock dividend Jan. 2, 1917		2,500,000.00		
		3,582,375.73		
Plus additions during year 1917		135,159.41		
		3,717,535.14		
Profits for year 1917	2,883,981.06			
Dividends paid in 1917	2,077,500.00			
Surplus for year ending Dec. 18, 1917		806,481.06		
Surplus Dec. 19, 1917			$4,524,016.20	
Reserve for Depreciation			412,254.60	
Reserve for U. P. S. Coupon Redemptions			880,448.67	
Reserve for Taxes			1,225,000.00	
				$18,591,665.59

Net Sales for year 1917	$15,713,657.84
Profits for year 1917	2,883,981.06

208 LARSON EXHIBIT 14.

"In the District Court of the United States

Northern District of Illinois

Eastern Division.

Wm. Wrigley Jr. Company,
Complainant,
vs.
L. P. Larson Jr. Company,
Defendant and Counterclaimant.
} No. 488.

NOTICE.

To Messrs. Parkinson & Lane, and
Mayer, Meyer, Austrian & Platt:—

At the hearing before Master-in-Chancery Morrison on Tuesday next, December 10, 1918, at 10 o'clock A. M., we would thank you to have Mr. William Wrigley Jr. present as a witness and to bring with him the papers called for by the subpoena duces tecum served upon him on or about October 16, 1918; viz.,

1. The reports of the treasurer of the Wm. Wrigley Jr. Company for the years 1914 to 1918, inclusive;

2. All reports made to the mercantile agency of R. G. Dun & Company for each of the years 1914 to 1918, inclusive;

3. The balance sheet or financial statement of the Wm. Wrigley Jr. Company for each of the years from 1914 to 1918, inclusive;

209 4. The records of the Wm. Wrigley Jr. Company pertaining to the organization of the Wm. Wrigley Jr. Company, Ltd., of Toronto, Canada, and also all records of the Wm. Wrigley Jr. Co. pertaining to the organization of the company manufacturing the Wrigley products in Australia;

5. Copies of all income and excess profit tax reports during the years 1914 to 1918, inclusive.

Frank F. Reed
Charles H. Aldrich

Received a copy of the above and foregoing notice this 6th day of December A. D. 1918.

Mayer, Meyer, Austrian & Platt
Parkinson & Lane."

210 LARSON EXHIBIT 15.

Chicago, Ill.

"Wm. Wrigley Jr. Co.

J. H. Patrick made the following signed statement for the company on April 16, 1914, from inventory of January 1st, 1914.

Assets

Cash	$ 542,248.87
Accounts receivable	745,421.38
Merchandise	2,620,729.91
Advances	117,974.48
Real estate and machinery	1,412,211.94
Good will and trade marks	7,500,000.00
	$12,938,586.58

Liabilities

Capital stock	$ 9,000,000.00
Accounts payable	68,643.85
Surplus	3,869,942.73
	$12,938,586.58"

247 LARSON EXHIBIT 16.

"Canada

Excerpts of
Minutes of the Regular Meeting of Stockholders of
The Wm. Wrigley Jr. Company.

Pursuant to the By-Laws of the Wm. Wrigley Jr. Company, the regular meeting of the stockholders was held on the 5th day of January, 1916, at 2:00 P. M., at the office of the said Company, #5 N. Wabash Ave., Chicago, Ill.

'Mr. Wm. Wrigley, Jr. reported that this Company had received an offer to purchase certain property and assets of the Company now situated within the Dominion of Canada, and thereupon read to the stockholders the said offer of purchase from Wm. Wrigley Jr. Company, Limited. Upon motion of H. H. Hitchcock and seconded by O. J. Buck, it was moved that this Corporation, through its Officers, accept the written offer of the said Wm. Wrigley Jr. Company Limited, and that the terms to purchase therein set forth be approved by the stockholders, provided the tangible assets do not aggregate over Five Hundred Thousand Dollars ($500,000). Motion was unanimously carried.' "

248 "Canada

Excerpts of
Minutes of the Regular Meeting of the Board of Directors of
the Wm. Wrigley Jr. Company.

The Board of Directors of Wm. Wrigley Jr. Company, a corporation organized under the laws of the State of West Virginia, met pursuant to the provisions of the By-Laws providing no notice of the annual meeting need be given. Meeting held at the offices of the Company, Kesner Building, #5 N. Wabash Ave., Chicago, Illinois, on Wednesday, January 5th, 1916, at 3:00 P. M.

'The Chairman reported that an offer had been received from Wm. Wrigley Jr. Company Limited of Toronto, Canada, to purchase the assets of this Company situated within the Dominion of Canada, together with other property specified in the written offer of Wm. Wrigley Jr. Company Limited

to Wm. Wrigley Jr. Company, under date of January 4th, 1916.

Upon motion duly made by H. H. Hitchcock and seconded by A. G. Cox, the following Resolution was unanimously adopted:

Resolved, that the offer of Wm. Wrigley Jr. Company Limited contained in their letter contract of January 4th, 1916, and approved by the stockholders of this Corporation, be accepted by the Officers of this Corporation as approved by the stockholders, and that the Officers of this Corporation be duly authorized to accept the same under the seal of this Corporation and that the said Wm. Wrigley Jr. Company Limited be forthwith notified of such acceptance.

Be It Further Resolved, that the Officers of this Company be empowered to execute such formal documents, transfers, assignments and other necessary papers as may be found
249 essential to carry into effect the intent of the written offer of January 4th, 1916.

Upon motion being made by James R. Offield and seconded by O. J. Buck, the following Resolution was adopted:

Resolved, that the Secretary be instructed to attach copy of said offer to the minutes of this meeting as received and modified.'

Upon motion of James R. Offield and seconded by H. H. Hitchcock, the following Resolution was unanimously adopted:

Resolved, that if modified offer to the Wm. Wrigley Jr. Company Limited, of Toronto, be accepted, that the Officers of this Company be empowered to distribute One Million Five Hundred Thousand Dollars ($1,500,000) Common Stock of the Canadian Company pro rata to the Common Stockholders of this Company as of record January 5th, 1916, on or before March 1st, 1916, stockholders thereby receiving a Twenty Per Cent (20%) stock dividend of the Common Stock of the Wm. Wrigley Jr. Company Limited, Toronto, Canada, of their present holdings of this Company."

"Toronto, January 4th, 1916.

To Wm. Wrigley Jr. Company,
Chicago, Illinois:

Dear Sirs:—

We hereby offer to purchase, as of the 5th day of January, 1916, all the property and assets of your Company of whatsoever kind and descriptions, situate within the Dominion
250 of Canada, together with all the business, trade name and good will connected therewith or conducted by you within the said Dominion; and, while not limiting the above, including all your real estate, factories, plant, manufactured and raw stock and products, and all fixtures, machinery, furniture, books and records, brands, trade marks and labels, whether registered or unregistered, patents, patent rights, trade secrets, processes and formulae, franchises, bills, notes, cash, accounts, receivables, manufactured goods, supplies and merchandise, contracts and contract rights within the Dominion of Canada, and all other assets whatsoever of this Company within the said Dominion; together with the right, for the Dominion of Canada, to all inventions, patents, marks, brands and labels that may hereafter be invented, adopted or otherwise evolved by you, and all improvements thereon.

We agree to pay you for the same $2,000,000 as follows—$500 in cash; $499,500 by the issue of like amount, at par, of preference stock of this Company, fully paid; and $1,500,000, at par, of the common stock of this Company, fully paid.

This offer is, we are advised, sufficiently binding if made under seal of the Company, and it accordingly will be made under seal and signed by the proper officers in that behalf, as provided for in the Resolution approving the same, which has been duly passed by the directors and approved by the shareholders; and any acceptance should, in like manner, be executed under seal of your Company.

251 If this offer is accepted formal documents, transfers, assignments and other necessary papers shall, upon request, be executed by your Company and the undersigned, to carry into effect the intent of this offer.

Yours truly,
WM. WRIGLEY JR. COMPANY, LIMITED,
WILLIAM A. CASE,
President.
JAMES B. TAYLOR,
Secretary."

"Jan. 6th, 1916.

Wm. Wrigley Jr. Company, Ltd.,
Wrigley Building,
Toronto, Ont., Canada.

Attention Mr. Wm. A. Case, President.

Gentlemen:

We have your letter of January 4th containing your offer and beg to reply as follows:

We agree to sell all of the property and assets of our company of whatsoever kind and description, situate within the Dominion of Canada, together with all the business, trade-name and good will connected therewith or conducted by us within said Dominion, limiting the above property, however, to the tangible property and assets of our company not exceeding Five Hundred Thousand Dollars ($500,000) in
252 value, but including all our trade-marks, good will and business relating thereto. This offer includes real estate, factories, plant, manufactured and raw stock and products, and all fixtures, machinery, furniture, books and records, brands, trade-marks and labels, whether registered or unregistered, patents, patent rights, trade secrets, processes, formulae, merchandise, bills, notes, cash, accounts receivable, manufactured goods, supplies and merchandise, contracts and contract rights within the Dominion of Canada, and all other assets whatsoever of this company within said Dominion, together with the right for the Dominion of Canada to all inventions, patents, marks, brands and labels that may hereafter be invented, adopted or otherwise evolved by us and all improvements thereon. The consideration for the sale of such property shall be as stated in your offer.

The reason for modifying your offer is that our company has certain raw stock now in Canada which, in itself, is of great value and obviously could not be sold under the terms of purchase as herein stated. The intention was that we would sell enough of our tangible property in the Dominion of Canada to equal in value the preferred stock of your company, the common stock being in consideration of our trade-names, marks, trade rights, good will and business connected therewith, together with our patents, processes, formulae and trade secrets.

If the foregoing modification of your offer if acceptable
253 to your company, we hereby accept such offer, or you may accept our offer by written acceptance signed by the proper officers in your behalf.

If this offer is accepted formal documents, transfers, assignments and other necessary papers should be immediately prepared with an itemized list of the properties to be transferred set forth thereon.

Very truly yours,
WM. WRIGLEY JR. COMPANY,
(Signed) By E. W. ECKERLY,
Vice-President.

Attest:
(Signed) W. H. STANLEY,
Secretary."

"Canada

This Agreement made in duplicate the Seventeenth day of February, 1916, pursuant to The Conveyancing and Law of Property Act.

Between:

Wm. Wrigley Jr. Company, a Corporation incorporated under the laws of the State of West Virginia, hereinafter called 'The American Company',

Of the First Part:

and

Wm. Wrigley Jr. Company, Limited, a Corporation incorporated under the Laws of the Dominion of Canada, hereinafter called 'The Canadian Company',

Of the Second Part:

254 Whereas the American Company has heretofore agreed to sell and the Canadian Company has agreed to purchase certain assets of the American Company in Canada, together with the good will of the American Company in Canada and the Canadian patents and trade marks of such Company, and it was agreed that formal documents effecting such transfer should be executed.

Now Therefore This Agreement Witnesseth that in consideration of the premises and of the mutual covenants, provisoes, and restrictions herein set out the parties hereto mutually agree together as follows:

1. The American Company agrees to sell and the Canadian Company agrees to purchase all the property and assets of the American Company situate within the Dominion of Canada, together with all the business, trade name, and good will connected therewith or conducted by the American Company within the said Dominion and while not limiting

the above, including all real estate, factories, plant, manufactured and raw stock and products, and all fixtures, machinery, furniture, books and records, brands, trade marks, and labels, whether registered or unregistered, patents, patent rights, trade secrets, processes, formulae, merchandise, bills, notes, cash, accounts receivable, manufactured goods, supplies, and merchandise, contracts, and contract rights within the Dominion of Canada, and all other assets whatsoever of this Company within the said Dominion as of the
255 18th day of December, 1915, and all business since such date, together with the right for the Dominion of Canada to all inventions, patents, marks, brands and labels that may hereafter be invented, adopted, or evolved by the American Company, and all improvements thereon, and including the assets set out in Schedules 'A' and 'B' hereto.

2. The Canadian Company agrees to pay therefor the sum of Two Million, Ninety-four Thousand, Nine Hundred and Forty-seven Dollars and Eighty-four cents ($2,094,947.84) as follows: Five Hundred Dollars ($500.00) in cash, Ninety-four Thousand Nine Hundred and Forty-seven Dollars and Eighty-Four Cents ($94,947.84) by a promissory note payable on demand to the American Company, with interest at a rate to be agreed on but not exceeding five per cent (5%) per annum; Four Hundred and Ninety-nine Thousand Five Hundred Dollars ($499,500.00) by the issue of a like amount at par of the preference stock of the Canadian Company fully paid; and One Million and Five Hundred Thousand Dollars ($1,500,000.00) at par by the issue of a like amount of the common stock of the Canadian Company fully paid, which stock shall be issued to the American Company or its nominees.

3. The Canadian Company further covenants and agrees to pay and discharge as and when the same fall due the accounts payable as shown in Schedule 'A' hereto, amounting to Four Thousand Nine Hundred and Seventy Six Dollars and fifty two cents ($4,976.52).

256 4. The American Company further covenants and agrees to pay and discharge all other debts and liabilities, charges, assessments and taxes heretofore or hereafter levied or due or to become due in respect of all operations and the carrying on of the business prior to the 18th day of December, 1915 and while not limiting the above, all War taxes and taxes upon income referrable to the period prior to De-

cember 18th, 1915, save and except debts referred to in clause 3 hereof.

5. It is further understood and agreed that all stock and supplies of raw chicle owned by the American Company on the 18th day of December 1915 or since acquired by it and whether on the premises the subject to this agreement or elsewhere within Canada, shall remain the property of the American Company.

6. The American Company Covenants and agrees not to do business in the Dominion of Canada, and the Canadian Company covenants and agrees not to do business without the said Dominion of Canada.

7. The American Company further covenants and agrees to execute all such further assignments, transfers and documents necessary to vest the title to the assets herein conveyed in the Canadian Company.

In Witness Whereof the parties hereto have affixed their corporate seals under the hands of the proper officers in that behalf.

257 WM. WRIGLEY JR. COMPANY LIMITED,
WILLIAM A. J. CASE,
L.S. *President.*
JAMES B. TAYLOR,
Secretary.

Witness:
(Signed) JAMES R. OFFIELD.

WM. WRIGLEY JR. COMPANY,
By E. W. ECKERLY,
L.S. *Vice Pres.*
W. H. STANLEY,
Secretary.

Schedule 'A'

Tangible Assets.

Cash in Bank	63,692.83
Accounts Receivable	67,449.40
Merchandise & Supplies on hand Toronto, Winnipeg & Vancouver	172,388.64
Real Estate and Buildings	252,818.11
Machinery & Equipment	43,575.38
Total	$599,924.36
Deduct Accounts Payable	4,976.52
Net Assets	$594,947.84

WM. WRIGLEY JR. COMPANY LIMITED,
(Signed) WILLIAM A. J. CASE,
L.S. *President.*
(Signed) JAMES B. TAYLOR,
Secretary.

WM. WRIGLEY JR. COMPANY,
By E. W. ECKERLY,
L.S. *Vice Pres.*
W. H. STANLEY,
Secretary.

258 Schedule 'B'.

Intangible Assets.

1. Good-will of the Company in the Dominion of Canada.
2. Albert Price Patent No. 128564, for Dominion of Canada.
3. Cesare Barbieri Sheeting Machien Patent No. 129645, for Dominion of Canada.
4. Cesare Barbieri Patent No. 129644, for Dominion of Canada.
5. Doublemint Trade Mark in Canada Register No. 82, Folio 20133.
6. Triplemint Trade Mark In Canada register No. 82, Folio 20265.
7. Twinmint Trade Mark in Canada register No. 84, Folio 20580.
8. Spearmint Trade Mark in Canada register No. 53, Folio 12931.
9. Three leases Carlaw Avenue Building:
   1. British American Wax Paper Co.
   2. Dominion Register Co.
   3. A. D. Shoup Co.
10. Leases, formulae, trade secrets, and other intangible assets referred to in agreement.

WM. WRIGLEY JR. COMPANY LIMITED,
WILLIAM A. J. CASE,
President.
L.S.
(Signed) JAMES B. TAYLOR,
Secretary.
WM. WRIGLEY JR. COMPANY,
By E. W. ECKERLY,
Vice Pres.
L.S.
W. H. STANLEY,
Secretary."

259 "(Crest)

Canada

By the Honourable Pierre Edouard Blondin, Secretary of State of Canada,

To All to Whom These Presents Shall Come, or Whom the Same May in Anywise Concern, Greeting:

Whereas, in and by the 1st part of Chapter 79 of the Revised Statutes of Canada, 1906, and known as 'The Companies Act,' it is amongst other things, in effect enacted, that the Secretary of State may, by Letters Patent, under his Seal of Office, grant a Charter to any number of persons, not less than five, who having complied with the requirements of the Act, apply therefor, constituting such persons, and others who thereafter become shareholders in the Company thereby created, a Body Corporate and Politic for any of the purposes or objects to which the Legislative Authority of the Parliament of Canada, extends, except the construction and working of Railways or of Telegraph or Telephone lines, or the business of Banking and the issue of paper money, or the business of Insurance or the business of a Loan Company, upon the applicants therefor establishing to the satisfaction of the Secretary of State due compliance with the several conditions and terms in and by the said Act set forth and thereby made conditions precedent to the granting of such Charter.

260 And Whereas, William Alfred James Case, Solicitor; James Broadbent Taylor and George Charles Loveys, Accountants, and William Morley Smith and William John Beattie, Students-at-law, all of the City of Toronto, in the Province of Ontario, have made application for a Charter under the said Act, constituting them and such others as may become shareholders in the Company thereby created, a Body Corporate and Politic, under the name of

'Wm. Wrigley, Jr., Company, Limited'

for the purposes hereinafter mentioned, and have satisfactorily established the sufficiency of all proceedings required by the said Act to be taken, and the truth and sufficiency of all facts required to be established previous to granting of such Letters Patent, and have filed in the Department of the Secretary of State a duplicate of the Memorandum of Agreement executed by the said applicants in conformity with the provisions of the said Act.

Now Know Ye, that I, the said Pierre Edouard Blondin, Secretary of State of Canada, under the authority of the hereinbefore in part recited Act, do by these Letters Patent, constitute the said William Alfred James Case, James Broadbent Taylor, George Charles Loveys, William Morley Smith and William John Boattie, and all others who may become shareholders in the said Company, a Body Corporate and Politic, by the name of

'Wm. Wrigley, Jr., Company, Limited'

261 with all the rights and powers given by the said Act and for the following purposes and objects, namely;—

(a) To carry on the business of manufacturers of and dealers in chewing gum, confectionery, gum chicle and show cases, jars, boxes, packages, receptacles, containers, vending machines and other devices for containing or displaying the same; and to buy, sell and deal in, manufacture, hire and let on hire, all kinds of material, merchandise and products entering into the manufacture thereof, and all machines, tools and appliances useful in manufacturing the same;

(b) To construct, improve, work, maintain, manage, carry out or control and to purchase, sell, lease or otherwise dispose of any lands, works, mills, machinery, wharves, manufactories, warehouses, shops, stores and other works and conveniences which may seem capable of being used or operated in connection with any part of the Company's undertaking for the time being, or calculated directly or indirectly to benefit the Company;

(c) To apply for and receive or to acquire by enactment, grant, assignment, transfer, lease or otherwise and to grant, carry out and enjoy any statute, ordinance or succession, patent, license, power, authority, franchise, right or privilege which any government or authorities, supreme, municipal or local or any corporation or other public body may be em-

powered to enact, make or grant, and to pay for, aid in
262 and contribute towards carrying the same into effect, and to appropriate any of the Company's shares, bonds and assets to defray the necessary costs, charges and expenses thereof;

(d) To apply for, purchase, adopt, register or otherwise acquire any patent, trade-marks, trade-names, designs, prints, labels, brevets de' invention, grants, licenses, leases, concessions and the like, conferring any exclusive or non-exclusive or limited right and any formulae and processes and any in-

ventions patented or otherwise, and any information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit this Company, and to pay for the same in cash, shares or other securities of the Company or otherwise, and to use, exercise, develop or grant licenses in respect of, or otherwise, turn to account, the property, rights, interests, or information so acquired;

(e) To carry on any other business, whether manufacturing or otherwise, which may seem to the company capable of being conveniently carried on in connection with the business or objects of the Company, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights;

(f) To purchase or otherwise acquire the shares, bonds, debentures or other securities of any other company or corporation, notwithstanding the provisions of Section 44 of the said Act, and to pay off the same in the shares, bonds, 263 debentures or other securities of this Company, and to hold, sell, vote or otherwise, deal in the shares, bonds, debentures or other securities so purchased, and to guarantee payment of the principal of or dividends and interest on said shares, bonds, debentures or other securities, and to promote any company or corporation having objects altogether or in part similar to those of this Company, or carrying on any business capable of being carried on so as directly or indirectly to benefit this Company;

(g) To sell, lease, or otherwise dispose of the property, rights, franchises and undertaking of the Company, the assets thereof or any part thereof, for such consideration as the Company may think fit, and in particular for shares, debentures, bonds, or other securities of any other company having objects altogether or in part similar to those of this Company;

(h) To consolidate or amalgamate with any other company having objects similar in whole or in part to those of this Company;

(i) To enter into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise with any person, firm or corporation carrying on or engaged in or about to carry on or engage in any business or transactions capable of being conducted so as directly or indirectly to benefit this Company and to take

or otherwise acquire shares and securities of any such company, and to sell, hold, issue or re-issue the same, with or
264 without guarantee of principal and interest, and otherwise to deal in the same;

(j) To purchase, lease or otherwise acquire and to hold, exercise, and enjoy in its own name or in the names of the persons, firms, company or companies hereinafter referred to, if thereunto duly authorized, all or any of the property, franchises, good-will, rights, powers, and privileges held or enjoyed by any person or firm or by any company or companies carrying on or formed for carrying on any business similar in whole or in part to that which this Company is authorized to carry on, and to pay for such property, franchises, good-will, rights, powers and privileges wholly or partly in cash or wholly or partly in paid-up shares of the Company or otherwise, and to undertake the liabilities of any such person, firm or company;

(k) To furnish aid to any business or undertaking similar in whole or in part to that of the Company, customers of the Company and any others with which the company may have business relations, by way of loan, bonus, endorsement, agreement, guarantee, management or other service, and to manage, supervise and control the same in whole or in part and to act as agent or attorney for the same;

(l) To invest the moneys of the company not immediately required in such investments, as may from time to time be determined;

(m) To distribute in specie or otherwise as may be
265 resolved any assets of the Company among its members and particularly the shares, bonds, debentures or other securities of any other company that may take over the whole or any part of the assets or liabilities of this Company;

(n) To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined;

(o) To aid in any manner any corporation, any of whose shares of capital stock, bonds or other obligations are held or are in any manner guaranteed by this Company, and to do any acts or things for the preservation and protection, improvement or enhancement of the value of any such shares of capital stock, bonds or other obligations, to do any and all acts and things tending to increase the value of any of the property at any time held or controlled by this Company;

(p) To do all such things as are incidental or conducive to the attainment of the above objects;

(q) To perform, promote and otherwise facilitate the organization of subsidiary companies;

(r) Any power granted in any paragraph hereof shall not be limited or restricted by reference to or inference from the terms of any other paragraph or to or from the name of the Company;

The operations of the Company to be carried on throughout the Dominion of Canada and elsewhere.

266 The place within the Dominion of Canada which is to be the chief place of business of the said Company is the City of Toronto, in the Province of Ontario.

The Capital Stock of the said Company shall be Two Million Dollars divided into Twenty Thousand shares of One Hundred Dollars each, subject to the increase of such Capital Stock under the provisions of the said Act, of the said capital stock five thousand shares shall be preference stock and the remaining fifteen thousand shares shall be common or ordinary stock. The said preference stock shall be entitled to and shall bear a fixed cumulative dividend at the rate of six per cent per annum, payable monthly on the first day of each calendar month, in each and every year in preference and priority to any payment of dividends on the common stock and shall not be entitled to any further right to or interest in or with regard to the profits of the company. In case of a dissolution or the liquidation of the company, the preference stock and holders thereof shall be entitled to preference in the distribution of the assets and property of the Company in priority to the common stock and the holders thereof to the amount paid upon such preference stock at par with all dividends accumulated and unpaid thereon; Dividends on the common stock may be paid at any time out of the net profits of the company after payment of all accumulated and unpaid dividends on the preference stock; the holders of preference stock shall not be entitled to vote the said stock at

267 any meeting of the Company; provided nevertheless that upon failure of the Company to pay dividends on the said preference stock on any dividend day, the holders of the preference stock shall be entitled to vote on the same as if the same was common stock until all dividends accumulated and unpaid thereon have been paid and upon payment of the same all right to vote on the said stock shall cease until a further failure to pay the dividends thereon and so on from

time to time; Provided further that the directors of the Company may from time to time make by-laws varying or entirely cancelling the preference and priority and other terms and conditions of the preference stock as above set out, but any such by-law shall have no force or effect nor shall it be acted upon until it has been confirmed and approved by the holders of seventy-five per cent of the then issued preference stock nor until such by-law has been sanctioned and confirmed by a vote of not less than two-thirds in value of the issued common stock represented at a general meeting of the Company duly called for considering the by-law and confirmed by Supplementary Letters Patent. And it is hereby ordained and declared that, if authorized by by-law sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the Company, represented at a general meeting duly called for considering the by-law, the directors may from time to time, (a) Borrow money upon the credit of the Company; (b) Limit or increase the amount to be borrowed; (c) Issue bonds, debentures, debenture stock or other securities of the company and pledge or sell the same for such sums 268 sums and at such prices as may be deemed expedient; (d) Hypothecate, mortgage or pledge the real or personal property of the company, or both to secure any such bonds, debentures, debenture stock or other securities and any money borrowed for the purposes of the Company;

Nothing in this clause contained shall limit or restrict the borrowing of money by the Company on bills or exchange or promissory notes made, drawn, accepted or endorsed, by or on behalf of the Company.

That the said William Alfred James Case, James Broadbent Taylor, George Charles Loveys, William Morley Smith and William John Beattie, are to be the first or Provisional Directors of the said Company.

Provided Always that nothing in these Presents expressed or contained shall be taken to authorize the construction and working of Railways or of Telegraph or Telephone Lines, or the business of Banking, and the issue of paper money, or the business of Insurance or the business of a Loan Company by the said Company.

Given under my hand and Seal of Office at Ottawa this day of January, 1916.

(Sgd) P. E. Blondin
Secretary of State

(Seal of Secretary of State, Canada)"

269 (Said copy of Letters Patent incorporating Wm. Wrigley Jr. Company, Limited, endorsed on back as follows:

"Copy
of
Letters Patent
Incorporating
'Wm. Wrigley Jr., Company,
Limited'

Dated 3rd January, 1916,
Recorded 3rd January 1916
Lib. 240, Fol. 118
(Sgd.) THOMAS MULVEY,
Dep. Registrar General
of Canada.

Ref. No. 64297."

---

271 LARSON EXHIBIT 17.

"Australia

Excerpts of
Minutes of the Regular Meeting of Stockholders of
The Wm. Wrigley Jr. Company.

Pursuant to the By-Laws of the Wm. Wrigley Jr. Company, the regular meeting of the stockholders was held on the 5th day of January, 1916, at 2:00 P. M., at the office of the said Company, #5 N. Wabash Ave., Chicago, Ill.

---

272 'Mr. Wm. Wrigley, Jr. reported that the foreign business of the Corporation in Australia and territory adjacent thereto, necessitated the establishing of a factory at Australia and the organifiation of an Australian Company for the manufacture of Chewing Gum;

That machinery and materials had already been shipped to Australia and a building rented at Melbourne, Australia, and that Mr. William H. Johnston and Mr. Philip K. Wrigley, heretofore employed by the company at its factory, together with other employees of the Company, were already in Australia supervising the installation of machinery for the production of Chewing Gum. That counsel had been employed at Melbourne to draft Articles of Association for the proposed Corporation, which Articles had been submitted to counsel for this Company, and that the Australian Corporation to be known as Wm. Wrigley, Jr. Company Proprietary Limited, was now ready to purchase certain property from this Corporation and to pay for said property by assigning its capital stock to this Corporation.

That certain agreements had been submitted to him whereby the Australian Corporation, formed with a capital of ten thousand pounds (£10,000) divided into ten thousand shares at one pound each, assigns nine thousand nine hundred and ninety-eight (9,998) shares to this Company in consideration of this Company selling to the Australian Company certain property listed in a schedule forming part of this agreement, together with the trade-marks, good will and business of this Company in Australia.

273 That two agreements between Wm. Wrigley Jr. Company, a West Virginia Corporation, of the one part, and Wm. Wrigley Jr. Company Proprietary Limited, of the other part, were executed on behalf of this Corporation on the 31st

day of December, 1915, which have been forwarded to Australia. That in addition to these two agreements two Powers of Attorney have been executed by this Corporation appointing William Hartwell Johnston its Attorney to fill in the date on the Assignments forming parts of the Agreements heretofore referred to; and that this Corporation had also transferred to Wm. Wrigley, Jr., William Henry Stanley and James Clifton Cox one share of stock each in the Australian Corporation, such transfer of stock being necessary in order that these parties might become Directors of the Austrlian Corporation.

It was thereupon moved by H. H. Hitchcock and seconded by Jno. N. Dole that the action taken by the President of this Corporation regarding the establishment of an Australian Corporation be ratified and confirmed.'

There being no objection the motion was unanimously carried.

'The secretary thereupon read the two contracts entered into between this Corporation and the Austrlian Corporation, as well as the two Powers of Attorney and the Transfer of Shares; whereupon A. G. Cox moved that the contracts, Powers of Attorney and Transfer of Shares executed by this
274 Corporation through its President and Secretary be ratified and confirmed by the stockholders of this Corporation. Said motion was seconded by Nelson L. Buck and unanimously carried.' "

"Australia

Excerpts of
Minutes of the Regular Meeting of the Board of Directors of The Wm. Wrigley Jr. Company.

The Board of Directors of Wm. Wrigley Jr. Company, a corporation organized under the laws of the State of West Virginia, met pursuant to the provision of the By-Laws providing no notice of the annual meeting need be given. Meeting held at the offices of the Company, Kesner Building, #5 N. Wabash Ave., Chicago, Illinois, on Wednesday, January 5th, 1916, at 3:00 P. M.

'The Chairman reported that it had been deemed advisable to organize an Australian Corporation to be known as Wm. Wrigley Jr. Company Proprietary Limited, to take over the

business of this Corporation in that locality, and that two agreements had been executed by the President and Secretary of this Corporation upon the 31st day of December, whereby this Corporation sold certain property specified in said agreements to the said Australian Corporation for nine thousand nine hundred and ninety-eight (9,998) shares of
275 its capital stock; the capital stock of said Australian Corporation consisting of Ten thousand Pounds (£10,000) divided into ten thousand shares at one pound each. That the action of the Officers of this Corporation in executing these contracts, together with certain Powers of Attorney and in transferring one share of stock of the Australian Company to each of the following parties,—

Wm. Wrigley Jr., William Henry Stanley and James Clifton Cox, has been duly ratified and confirmed by the stockholders of this Corporation.

Thereupon it was moved by H. H. Hitchcock and seconded by Jno. H. Dole that the following resolution be adopted:

Resolved, that the signing of the agreements between Wm. Wrigley Jr. Company and Wm. Wrigley Jr., Company Proprietary Limited, executed by the Officers of this Corporation upon the 31st day of December, 1915, together with the Powers of Attorney to William Hartwell Johnston and the transfer of one share of stock each to Wm. Wrigley Jr., William Henry Stanley and James Clifton Cox, be hereby ratified and confirmed by the Directors of this Corporation.

The Resolution was unanimously adopted.

It was thereupon moved by James R. Offield and seconded by Edward W. Eckerly that the following Resolution be adopted:

Resolved, that the Secretary be instructed to attach copies of the Agreements, Powers of Attorney and Transfer of Stock to the minutes of this meeting.

Said Resolution was unanimously adopted.' "

276 "Transfer of Shares.

We, Wm. Wrigley Jr. Company of Chicago, Illinois, U. S. A. for valuable consideration, fully satisfied, by Wm. Wrigley Jr., Wm. Henry Stanley and James Clifton Cox, all of Chicago, Illinois, hereinafter called the Transferees, do hereby transfer to the said Transferees the shares numbered ..... standing in our name in the books of Wm. Wrigley Jr. Company Proprietary Limited, to hold under the said Trans-

ferees, their executors, administrators and assigns, subject to the several conditions on which we held the same at the time of the execution thereof, and that the said transferees do hereby agree to take the said shares subject to the same conditions.

As witness our hands and seals this ..... day of December 1915.

Signed by the Transferor Wm. Wrigley Jr. Company, by its President, and attested to by its Secretary in the presence of one witness.

WM. WRIGLEY JR. COMPANY
by

President

Witness:

.....

Attest:

Secretary

Signed by the Transferees, each in the presence of a Witness.

Witness:

277 "Power of Attorney.

We, Wm. Wrigley Jr. Company, of Chicago Illinois, U. S. A., do hereby authorize, empower and appoint Wm. Hartwell Johnston our lawful attorney to fill in the date on the Assignment of a certain agreement heretofore entered into by Wm. Wrigley Jr. Company on the one part and Wm. Wrigley Jr. Company Proprietary Limited on the other party, on the ..... day of December 1915, wherein the American Company sells its Australian Plant to the said Australian Company; also to fill in the date on the Assignment of a certain agreement entered into between the said parties on the ..... day of December 1915 wherein the American Company sells its Good Will and trade mark rights to the Australian Company.

Signed in behalf of Wm. Wrigley Jr. Company by its President, Wm. Wrigley Jr. and attested to by its Secretary James C. Cox, Chicago, Illinois, this ..... day of December 1915.

WM. WRIGLEY JR. COMPANY

President

Attest:

Secretary.

278 **Power of Attorney.**

We, Wm. Wrigley Jr. Company of Chicago, Illinois, U. S. A., do hereby authorize, empower and appoint Wm. Hartwell Johnston our lawful attorney to fill in the date on any agreement or assignment entered into prior to the date of this power of Attorney, between Wm. Wrigley Jr. Company on the one part and Wm. Wrigley Jr. Company Proprietary Limited on the other part, and to fill in the date in behalf of the Wm. Wrigley Jr. Company upon which a certain transfer of shares is set forth, wherein Wm. Wrigley Jr. Company of Chicago Illinois transfers certain shares of stock Wm. Wrigley Jr., Wm. Henry Stanley and James Clifton Cox.

Signed in behalf of Wm. Wrigley Jr. Company by its President, Wm. Wrigley Jr., and attested by its Secretary James Clifton Cox, at Chicago Illinois this ..... day of December 1915.

WM. WRIGLEY JR. COMPANY

President

Attest:

Secretary.

279 "Agreement made the day of One Thousand nine hundred and Between Wm. Wrigley Jr. Company being a Company organized under the laws of the State of West Virginia in the United States of America (hereinafter called the American Company) of the one part and Wm. Wrigley Jr. Company Proprietary Limited whose registered office is situated at Number 684 Elizabeth Street ..... Melbourne in the State of Victoria (hereinafter called the Australian Company) of the other part—

Whereas the American Company is the owner of the machinery plant and materials employed in the manufacture of chewing gum which are generally described in the Schedule hereto (and are hereinafter collectively called 'plant') and are now in possession of the Australian Company and particulars whereof are entered in the books of that Company And Whereas the American Company has for some time past carried on business throughout the Commonwealth of Australia as a vendor of chewing gum and has acquired a good will in such business And Whereas the American Company is

registered as to the proprietor in the said Commonwealth of a trade mark numbered 13408 Class No. 42 And Whereas the Australian Company has been formed under the Companies Act 1915 with a nominal Capital of Ten Thousand pounds divided into Ten thousand shares of One Pound each with a view amongst other things to the acquisition of the said plant goodwill and trade mark And Whereas by Clause Two
280 of the Articles of Association of the Australian Company it is provided that the Australian Company shall enter into the agreement therein referred to being this Agreement Now it is hereby agreed as follows:—

1. The American Company shall sell and the Australian Company shall purchase All and singular the said plant good will and trade mark.

2. The consideration for such sale shall be Nine thousand nine hundred and ninety eight pounds which shall be satisfied by the allotment to the American Company of Nine thousand nine hundred and ninety eight fully paid up ordinary shares in the capital of the Australian Company of One pound each to be numbered Three to Ten thousand inclusive.

3. The purchase shall be completed within six calendar months from the date hereof.

4. The Australian Company shall in respect of the shares to be allotted as aforesaid cause this Agreement to be filed with the Registrar General of the State of Victoria and shall otherwise comply with the provisions of Section 96 of the Companies Act 1915.

In Witness whereof each of the said Companies has duly executed this Agreement.

The Schedule.

1 sheeting machine: 2 kettles: 3 wrapping machines: large quantity of confectionery supplies and printing matter: 442 bags Chicle: and 6159 lbs. Poloja.

281 Signed in behalf of Wm. Wrigley Jr. Company by its President, Wm. Wrigley Jr., and attested by its Secretary James C. Cox at Chicago, Illinois, U. S. A. this ..... day of December 1915.

WM. WRIGLEY JR. COMPANY
WM. WRIGLEY JR.
President

JAMES C. COX
Secretary

The Common Seal of Wm. Wrigley Jr. Company Proprietary Limited was hereto affixed by the authority of the Directors and in the presence of

(
(*Director*
(

(*Secretary*"
(

"This Assignment made the day of One thousand nine hundred and Between the within named—Wm. Wrigley Jr. Company (hereinafter called the American Company) of the one part and the within named Wm. Wrigley Jr. Company Proprietary Limited (hereinafter called the Australian Company) of the other part Witnesseth that in consideration of the Australian Company having this day allotted to the American Company (as it hereby admits) the Nine thousand nine hundred and ninety eight shares in the capital of the Australian Company as provided by the
282 within Agreement the American Company do hereby assign unto the Australian Company All and Singular the machinery plant and materials in the within Agreement referred to To Hold the same unto the Australian Company absolutely. In Witness whereof each of the said Companies has duly executed this Assignment.

Signed in behalf of Wm. Wrigley Jr. Company by its President, Wm. Wrigley Jr., and attested by its secretary James C. Cox, at Chicago, Illinois, U. S. A., this ..... day of December, 1915.

WM. WRIGLEY JR. COMPANY
WM. WRIGLEY JR.
President

JAMES C. COX
Secretary."

(Said document endorsed on back as follows:
"Dated ..... 191....
Wm. Wrigley Jr. Company
with
Wm. Wrigley Jr. Coy, Ppy. Ltd.
Agreement
Williams & Matthews,
89 Queen Street,
Melbourne."

LARSON EXHIBIT No. 18.

284a STOCKHOLDERS.

	W. W. Jr. Co. W. Va.		W. W. Jr. Co., Ltd. Toronto, Can.		W. W. Jr. Co. P. Ltd. Sydney, Aust.
	Com.	Pref.	Com.	Pref.	
Wm. Wrigley, Jr.	46,456		8020		1
H. H. Hitchcock	1,200	630	660		
J. H. Patrick	2,933	410	340		
F. W. Wentworth	307	55			
O. J. Buck	6,079	1515	459		
Hazle B. Ewing	667	150	100		
Nelson L. Buck	946	165	134		
A. G. Cox	4,694	1725	500		
James C. Cox	780	150	120		1
State Bk. of Chgo. T. H. M. Hooker, deceased,	7,667	1725	1150		
John N. Dole	4,000	900	600		
State Bk. of Chgo. T. Geo. M. Vial, deceased,	1,666	375	250		
Andrew R. Dole	1,667	375	250		
Arthur Dole	1,666	375	250		
N. W. Hitchcock	1,130	50	20		
F. B. Hitchcock	1,170		25		
James R. Offield	134		20		
B. L. Atwater	402		60		
Geo. J. Neumann	74		11		
George Dawson	133		20		
James A. Gill	200		30		
Charles G. Hylander	26		4		
D. Dunn	27		4		
Wm. Scatchard	66				
Emil Langschmidt	26		4		
E. W. Eckerly	400		60		
E. Kalley	13		2		
Frank T. Hill	67		10		
B. D'Emo	200		30		
Jno. W. Reidy	27		4		
Jacob Fotre	33		5		
I. Heyman	14		2		
A. E. Offield	66		10		
Ellaretta M. Harkness	119		8		
Wm. H. Harkness, Jr.	12				
J. Ed. Plummer	124		58		
Mary Karn	10		2		
W. H. Stanley	202		20		1
S. C. Stewart	67		10		
E. A. Ross	34		5		
Wm. A. Mackenzie	14		2		
James McCutcheon	12		1		
Ellsworth B. Buck	524				

STOCKHOLDERS

284b

	W. W. Jr. Co. W. Va.		W. W. Jr. Co., Ltd. Toronto, Can.		W. W. Jr. Co. P. Ltd. Sydney, Aust.
	Com.	Pref.	Com.	Pref.	
A. D. Shoup	140		1		
Louis A. Dreyfus	300				
J. E. Plummer, Atty	34		5		
A. M. Price	133		20		
Philip K. Wrigley	6534	5	30		
Willet B. Ranney	34				
Charles W. Johnson	17				
V. R. Rubens	66				
Carrie B. Ranney	30				
Dorothy W. Offield	1400	250			
Katherine Liebe	12				
John J. Mitchell	140				
C. D. Brenton	50				
R. R. Holcomb	8				
Blanche C. Atwater	700				
Olive P. Sleeper	700				
Angie W. Cox	700				
C. P. Whitney, Jr	50				
Mae Jorgensen	2				
C. F. Mayberry	5				
Wm. H. Wiley	75				
N. C. Behles	20				
Edwin G. Peterson	3				
Winfield S. Day	10				
Joseph Simons	10				
Byron Wrigley	250				
Edward Wrigley	250				
Anna J. Price	250				
C. A. Albright	400	100			
Charles T. Jeffery	100				
Jean Hitchcock Butz	1100				
S. R. Bushnell	2				
Daisy H. Cox	20				
Helen A. Wrigley	100				
Edward A. Wood	20				
Katie E. Nelson	71	15			
Nelson L. Buck, Guardian	142	30			
Jessie I. Wrigley	25				
Nell J. Baker	43				
Ada E. Wrigley		6000			
Paul Nelson				32	
J. Allan Ross				1486	

STOCKHOLDERS

284c

	W. W. Jr. Co. W. Va. Com.	W. W. Jr. Co. W. Va. Pref.	W. W. Jr. Co., Ltd. Toronto, Can. Com.	W. W. Jr. Co. Ltd. Toronto, Can. Pref.	W. W. Jr. Co. P. Ltd. Sydney, Aust.
Geo. E. Glennie			50		
H. Allan Knight			36		
F. N. Scofield			20		
R. A. Burns			25		
P. D. Orr			10		
D. C. Rea			25		
Wm. Wrigley Jr. Co				5000	9995
W. H. Johnston					1
T. V. Healy					1

OFFICERS AND DIRECTORS

	W. W. Jr. Co. W. Va.	W. W. Jr. Co. Ltd. Toronto, Can.	W. W. Jr. Co. P. Ltd. Sydney, Aust.
Wm. Wrigley, Jr.	President & Director	President & Director	Director
John N. Dole	Director		
O. J. Buck	Director		
H. H. Hitchcock	Director		
Jas. R. Offield	Director	Director	
B. L. Atwater	Vice-Prest. & Director		
James C. Cox	Treasurer & Director		Director
Edw. W. Eckerly	Vice Prest. & Director		
A. G. Cox	Director		
W. H. Stanley	Secretary		Director
Jas. A. Gill	Asst. Treas.		
Geo. J. Neumann	Asst. Sec'y		
Nelson L. Buck		Director	
J. Allan Ross		Vice-Prest. Treas. & Dir.	
H. A. Knight		Sec'y & Director	
W. H. Johnston			Mng. Dir. & Dir.
T. V. Healy			Director

LARSON EXHIBIT No. 19
Form 1031 (Revised).

sheet 1

To be filled in by Internal Revenue Bureau.

Examined by.....

Audited by.....

Recorded by.....

To be filled in by Collector.

List No. 18286. Class.....

Assessment List 23-A....., 191
(Month.)

Page..... Line.....

INCOME TAX.

The Penalty
For failure to have this return in the hands of the Collector of Internal Revenue within the time required by law is not more than $10,000 and the assessment is increased fifty per cent.

Return of Annual Net Income.

(Section 2, Act of October 3, 1913.)

CORPORATIONS.
(Other than Insurance Companies.)

Important.
Read this form and all instructions carefully and fill in supplementary statement before making entries in return proper.

Julius F. Smietanka,
Collector of Internal Revenue,
426 Federal Bldg.
Chicago

Above space to be stamped by Collector, showing district and date filed.

Return of Net Income for the {Calendar / *Fiscal} year ended Dec. 31, 1914

by Wm. Wrigley, Jr., Co.
(Name of corporation, joint-stock company, or association.)

..... (Kind of business.)

and located at 5 No. Wabash, Chicago, Illinois.
(Street and number.) (City or town.) (State.)

(The address given must be that of the principal place of business of the corporation.)

If no figures are to be extended opposite any item in the return the word "None" should be inserted.

1. Total amount of paid-up capital stock outstanding at the close of the year or the capital employed in the business	$9 000 000 —
2. Total amount of bonded and other indebtedness outstanding at the close of the year exclusive of indebtedness wholly secured by collateral, the subject of sale in the ordinary business of the corporation	$ 32 466 75

	Dollars. Cts.		Dollars. Cts.
3. Gross Income:		Deductions.	
(a) From operations	$4 642 374 55	4. (a) Expenses, general	$3 034 588 87
(b) From rentals	64 836 00	(b) Rentals	14 745 00
(c) From interest	.....	5. (a) Losses	18 556 25
(d) From dividends received	.....	(b) Depreciation and depletion	111 738 42
(e) From other sources	6 730 68	6. (a) Interest actually paid	.....
.....	.....	(b) Interest paid on deposits (banks)	.....
Total gross income	$4 713 941 23	7. (a) Taxes, Federal and State	134 907 94
Total deductions	$3 314 536 48	(b) Taxes, foreign	.....
8. Net Income	$1 399 404 75	Total Deductions	$3 314 536 48

We, the officers of the above-named corporation whose return of net income is herein set forth, being severally duly sworn, each for himself, deposes and says that the items entered in the foregoing report and in the supplementary statement and in any additional list or list attached to or accompanying this return, are, to his best knowledge and belief and from such information as he has been able to obtain, true and correct in each and every particular.

Sworn to and subscribed before me this..... day of....., 191

Edw. W. Echerly
Vice-President.

Seal of officer taking affidavit.

.....
.....
(Official capacity.)

James H. Gill.
Asst. Treasurer.

GENERAL INSTRUCTIONS.

Time of filing returns.—Returns made on the basis of a calendar year must be filed with the Collector of Internal Revenue of the district in which is located the principal place of business of the corporation, on or before March 1; if made on the basis of a Fiscal Year* they must be filed within 60 days after the close of such year.

Principal place of business.—As used in the income tax law the principal place of business is the place or office in which are kept the books of account, papers and other data from which the return is prepared.

*Fiscal year.—Corporations desiring to make returns of annual net income on the basis of a fiscal year other than the calendar year, must, not less than 30 days prior to March 1, file with the collector a notice in writing designating the last day of some month as the close of such fiscal year. The notice must be filed not later than January 29 of the year in which the fiscal period of 12 months closes. A return for that portion of the calendar year preceding the first full fiscal year must be filed on or before March 1 of the next calendar year, and the return for the fiscal year (12 months) must be filed on or before the last day of the 60-day period next following the close of the fiscal year. Example, A corporation desiring to designate June 30, 1915, as the close of its fiscal year, must file notice with the collector not later than January 29, 1915, and its return for its first fiscal year (July 1, 1914, to June 30, 1915) must be filed on or before August 29, 1915, and its return for the period January 1 to June 30, 1914, on or before March 1, 1915.

Extension of time.—In the case of neglect to file the return within the prescribed time, the collector is authorized to grant an extension for the filing period not exceeding 30 days, provided such neglect was due to absence or sickness of an officer required to sign the return, and provided an application in writing is made prior to the expiration of the period for which extension may be granted.

Signatures and verification.—Returns must be signed and verified by two officers of the corporation, that is, by the president, vice president, or other principal officer, and the treasurer or other financial officer, and must be sworn to before an officer authorized to administer oaths and the seal of the attesting officer, if he is required to have a seal, must be impressed on the return in the space provided for that purpose.

Subsidiary companies.—The corporation making this return should attach hereto a list of all its subsidiary companies, if any, with the location of the principal place of business of each.

Foreign corporations.—Foreign corporations subject to the law are required to make returns to the collector of the district in which the principal place of business in the United States is located. The gross income to be returned is that received from business transacted and capital invested in the United States. The losses deductible are those relating to the business done in this country and not compensated by insurance or otherwise. The amount of interest deductible is the amount actually paid within the year on its bonded or other indebtedness to an amount of such bonded or other indebtedness not exceeding the proportion of one-half of the sum of the interest-bearing indebtedness outstanding at the close of the year plus the paid-up capital stock then outstanding (or if no capital stock the proportion of the capital employed in business) which the gross amount of its income for the year from business transacted and capital invested within the United States bears to the gross amount of its income derived from all sources within and without the United States. Such corporations are not permitted to deduct foreign taxes paid, but may deduct from gross income all domestic taxes paid within the year.

Penalties.—Corporations refusing or neglecting to file returns within the time prescribed by law or rendering false or fraudulent returns shall be liable to a penalty of not exceeding $10,000, and an additional tax of 50 per cent in case of neglect to file the return within the time prescribed by law, and 100 per cent in the case of a false or fraudulent return shall be added to the assessment.

Any officer of any corporation required by law to make, render, sign, or verify any return, who makes any false or fraudulent return or statement with intent to defeat or evade the assessment required to be made shall be guilty of a misdemeanor, and shall be fined not exceeding $2000 or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

SUPPLEMENTARY STATEMENT.

The following information must be furnished by every corporation, joint-stock company, or association, without which the return will not be accepted as complete. The items herein relate to the items listed above and bear corresponding numbers.

1. Paid-Up Capital Stock:

Unissued or treasury stock should not be included in this item, but only such stock as has been actually issued and is outstanding at the close of the year and for which payment has been received. Where the stock issued is payable in installments or assessments, only so much of it as has been actually paid in upon such installments or assessments should be reported.

In case no stock is issued there should be reported the amount of capital actually employed in the business and property of the corporation at the close of the year.

(a) Paid-up "common stock"	$7 500 000 00
(b) Paid-up "preferred stock"	1 500 000 00
Total paid-up stock	$9 000 000 00
or (c) Capital employed in business	$13 206 255 65

2. Indebtedness:

All interest - bearing indebtedness, for the payment of which the corporation or its property is bound, should be reported below. In the case of banking corporations and like financial institutions deposits should not be reported as indebtedness. Indebtedness wholly secured by collateral, the subject of sale in the ordinary business of the corporation should be reported here, but such indebtedness should not be considered in determining the amount of interest deductible under item 6 (a) as interest on such indebtedness is allowable as a deduction under item 4 (a) as an expense.

Character of obligation.	Rate of interest.	Principal.
Accounts payable	.....	$32 466 75
.....	.....	.....
.....	.....	.....
Total indebtedness	.....	$32 466 75

(over.)

3. Gross Income:

All manufacturing, mercantile, and other corporations which determine their annual gain or loss by inventory are required to state the same in the form indicated below. If the annual income or loss is determined otherwise, the methods employed must be stated in the space provided.

Any appreciation in the value of assets due to appraisal or adjustment and taken up on the books should not be reported as income until such appreciation as a result of a complete or closed transaction has been converted into cash or its equivalent.

The profit or income to be returned in the event of the sale of capital assets should be determined upon the basis of the difference between the cost and selling price of such assets. If the assets were acquired prior to January 1, 1909, the profit resulting from their sale may be prorated, in which case the amount apportioned to the years subsequent to January 1, 1909, will be included as income.

(a) From Operations:

Per inventory—

Sales during year	$8 008 536 07	Overhead charges should not be included ininventory (see item 4)
Stock on hand at close of year	2 648 677 42	
Total		$10 657 213 49
Purchases during year	$3 394 109 03	
Stock on hand at beginning of year	2 620 729 91	
Total		$ 6 014 838 94
Total gain or loss		$ 4 642 374 55

(If inventory shows loss make entry in red ink or strike out gain.)

If inventory is not used, state below method of determining gain or loss.

.....

(b) From Rentals:

Rentals to be reported as income will include all payments received in cash or its equivalent as rent on buildings or other property owned by the corporation making the return.

(c) From interest:

Interest to be reported as income includes all interest received on bonds or securities owned by the corporation with the exception of interest on obligations of a State or political subdivision thereof or interest upon the obligations of the United States or its possessions, which latter interest for the purpose of information should be extended on this line ..... $ .....

(d) From Dividends Received:

Dividends received upon the stock of other corporations must be included in the gross income of the corporation receiving the same and are not deductible from gross income in ascertaining the net income upon which the tax is computed.

(e) From Other Sources:

All other sources from which income has been received should be indicated below and the amount received from each such source should be extended in the space provided.

Rentals of Buildings, etc	$64 836 00
.....	
.....	
Claims suspense a/c Export D. B	6 730 68
Total	$ .....

DEDUCTIONS.

4. Expenses, General:

The items below should only include the ordinary and necessary expenses paid within the year in the maintenance and operation of the business and properties of the corporation, not including interest payments, which are to be reported under Item 6 (a), except interest paid on indebtedness wholly secured by collateral the subject of sale in the ordinary business of the corporation, as such interest may be reported under this item as an expense.

All expenses for material, labor, fuel, and other items entering into the cost of the goods produced, sold or inventoried are deductible under this head as expense, provided such items have not been considered in determining the income derived from operations under Item 3 (a).

Expenditures for incidental repairs which do not add to the value of the property are deductible as expenses, but expenditures for additions and betterments which add to the value of the property are not deductible under this or any other item of the return. Expenditures for renewals and replacements are not, as such, deductible as expenses, but should be charged to depreciation reserve account.

Salaries of officers in order to constitute an allowable deduction must be reasonable compensation for the services rendered and must not comprehend any compensation for capital invested in the business.

Rentals should be reported separately under Item 4 (b).

(a) 1. Labor, wages, commissions, etc	$ 344 884 79
2. Fuel, light, power, etc	.....
3. Repairs	.....
4. Interest on indebtedness wholly secured by collateral the subject of sale, etc	.....
5. Salaries of officers	118 249 98
6. Other expenditures	2 571 454 10
Total expenses	$ 3 034 588 87

4. (a) 7. Names of officers and employees to whom salaries of $3,000 or more were paid during the year and amount paid to each. (If the space below is not adequate, a list marked "Item 4 (a)" containing this information should be attached to this form.)

Name.	Amount.
.....	$ .....
.....	.....
.....	.....
.....	.....
Total	$ .....

(b) Rentals:

This item should include all rentals or other payments required to be made as a condition to the continued use or possession of the property. In cases where interest on a mortgage on property occupied or used by the corporation is paid as a condition to its possession and use, such interest may be included under this item.

5. (a) Losses:

Losses deductible under this item must be distinguished from depreciation or allowances for wear and tear, exhaustion, or obsolescence of property. The losses must be absolute, complete, actually sustained and charged off on the books of the corporation, and if the loss results from the sale of assets acquired prior to January 1, 1909, such loss may be prorated and the amount apportioned to the years subsequent to January 1, 1909, may be deducted under this item.

Book entries representing a shrinkage in the value ofsecurities are not a loss within the meaning of the law and can not be deducted from gross income either as a loss or as depreciation.

Losses compensated by insurance or otherwise are not deductible.

Describe character of losses.	Date charged off.	Amount charged off.
Accounts	1914	$ 18 556 25
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
Total		$ 18 556 25

How were the deducted losses ascertained and determined? Uncollectible.

When were they ascertained to be losses? In 1914.

(b) Depreciation and Depletion:

The amount deductible on account of depreciation is an amount which fairly measures the deterioration during the year in the value of the physical property with respect to which it is claimed, and such amount should be determined upon the basis of the cost of the property and the probable number of years constituting its life. Stocks, bonds, and like securities are not subject to wear and tear, exhaustion, or obsolescence within the meaning of the law, and any shrinkage in their value due to fluctuations in the market is not deductible either as depreciation or loss.

On what class of property is depreciation claimed? .....

.....

What was its cost? $ ..... At what rate was depreciation computed? .....

Depletion.—In computing depletion in the case of natural deposits the rate should not exceed 5 per cent of the gross value at the mine of the output for the year.

State cost of property exclusive of equipment, improvement, etc	$ 1 149 083 51
Amount previously charged off on account of depletion	$ .....

Date of purchase of property? Various dates.

6. (a) Interest Actually Paid:

The amount of interest which may properly be deducted under this item is the amount actually accrued and paid within the year on an amount of bonded or other indebtedness not in excess of the paid-up capital stock outstanding at the close of the year plus one-half of the interest-bearing indebtedness also then outstanding. Where there is no capital stock the amount of interest deductible is the amount actually paid on an amount of indebtedness not in excess at any time during the year of the capital employed in the business at the close of the year.

Interest paid on mortgage indebtedness, assumed or unassumed, on property to which the corporation has taken or is taking title, or in which it has an equity, or in the acquirement of which the mortgage was considered a part of the purchase price, should be reported under this item.

Interest paid in lieu of rent on a mortgage secured by property which the corporation occupies should be reported under Item 4 (b).

Interest paid on indebtedness wholly secured by collateral the subject of sale in the ordinary business of the corporation should be reported under Item 4 (a) and Item 2.

Interest Payments Actually Made During Year.

Name of obligation.	Amount of principal.	Rate of Interest	Amount of interest paid.
.....	$	.....	$ .....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
Total	$	.....	$ .....

(b) Interest Paid on Deposits (Banks):

Interest paid on deposits is a proper deduction from gross income under this item in case of banks and banking institutions only.

7. (a) Taxes—Federal and State:

(b) Taxes—Foreign:

Taxes deductible under these items are such taxes actually paid within the year as are imposed by either the United States or any State or Territory thereof, or by the Government of any foreign country, not including taxes for local benefits, nor taxes paid by corporations pursuant to their covenants on their bonds.

A reserve for taxes, as such, is not deductible.

Banks paying taxes assessed against their stockholders because of their ownership of the shares of stock issued by such banks can not deduct the amount so paid in making their return unless specially authorized to do so by the laws of the State in which they do business.

Where sufficient space is not provided for the entry of the information required in the "Supplementary statement," lists containing full information in the form indicated should be marked in accordance with the particular item and attached to this form. Totals entered in the "Supplementary statement" must agree with entries of corresponding items at the beginning of this form.

Sheet 2

LARSON EXHIBIT No. 19

To be filled in by Internal Revenue Bureau.

Audited by .....

Form 1031.
(Revised September, 1915.)

INCOME TAX.

The Penalty
For failure to have this Return in the hands of the Collector of Internal Revenue within the time required by law is not more than $10,000 and the assessment is increased fifty per cent.

Return of Annual Net Income.
(Section 2, Act of October 3, 1913.)

CORPORATIONS
(Other than Insurance Companies.)

To be filled in by Collector.

Collection District .....
Assessment List 23-A ....., 191
(Month.)
Page ..... Line .....

Important.
Read this form and all instructions carefully and fill in supplementary statement before making entries in return proper. Totals in supplementary statement must agree with totals in return.

Copy

Above space to be stamped by Collector, showing district and date filed.

Return of Net Income for the {Calendar} year ended December 31, 1915.
{*Fiscal }

by Wm. Wrigley Jr. Company
(Name of corporation, joint-stock company, or association.)
Manufacturing and Selling
(Kind of business.)
and located at 5 No. Wabash Avenue, Chicago Illinois
(Street and number.) (City or town.) (State.)
(The address given must be that of the principal place of business of the corporation.)
If no figures are to be extended opposite any item in the return, the word "None" should be inserted.

1. Total amount of paid-up capital stock outstanding at the close of the year or, if no capital stock, the capital employed in the business	$9 000 000 00
2. Total amount of bonded and other interest-bearing indebtedness outstanding at close of year, exclusive of indebtedness wholly secured by collateral, the subject of sale in ordinary business of the corporation	$ None

3. Gross Income:	Dollars. Cts.	Deductions.	Dollars. Cts.
(a) From operations	$5 678 386 90	4. (a) Expenses, general	$2 887 841 36
(b) From rentals	67 387 50	(b) Payments in lieu of rent	.....
(c) From interest	.....	5. (a) Losses sustained	71 549 07
(d) From dividends received	.....	(b) Depreciation	107 260 16
(e) From other sources	57 462 38	(c) Depletion (natural deposits)	.....
		6. (a) Interest paid (see Note 6a)	.....
Total gross income	$5 803 236 78	(b) Interest paid by banks on deposits	.....
Total deductions	3 754 413 66	7. (a) Taxes, domestic paid	687 763 07
		(b) Taxes, foreign paid	.....
8. Net Income	$2 048 823 12	Total deductions	$3 754 413 66
9. Tax assessable	$		
10. 50 per cent additional	$		
Total	$		

We, E. W. Eckerly, Vice-President, and J. C. Cox, Treasurer, of the above-named company, whose return of net income is herein set forth, being severally duly sworn, each for himself, deposes and says that the items entered in the foregoing report and in the supplementary statement and in any additional list or lists attached to or accompanying this return are, to his best knowledge and belief and from such information as he has been able to obtain, true and correct in each and every particular.

Sworn to and subscribed before me this 26th day of February, 1916

..... President.

Seal of officer taking affidavit.

..... Treasurer.

..... (Official capacity.)

GENERAL INSTRUCTIONS.

Time of filing returns.—Returns made on the basis of a calendar year must be filed on or before March 1, with the Collector of Internal Revenue of the district in which is located the principal place of business of the corporation; if made on the basis of a fiscal year* they must be filed within 60 days after the close of such year.

*Fiscal year.—Corporations desiring to make returns of annual net income on the basis of a fiscal year other than the calendar year, must, not less than 30 days prior to March 1, file with the collector a notice in writing the last day of some month as the close of such fiscal year. A return for that portion of the calendar year preceding the first full fiscal year thus established must be filed on or before March 1 of the next calendar year, and the return for the fiscal year (12 months) must be filed on or before the last day of the 60-day period next following the closing date of the fiscal year.

Extension of time.—In the case of neglect to file the return within the prescribed time, the collector is authorized to grant an extension of the filing period not exceeding 30 days, provided such neglect was due to absence or sickness of an officer required to sign the return, and provided an application in writing is made prior to the expiration of the period for which extension may be granted.

Signatures and verification.—Returns must be signed and verified by two officers of the corporation, that is, by the president, vice president, or other principal officer, and the treasurer or other financial officer, and must be sworn to before an officer authorized to administer oaths and the seal of the attesting officer, if he is required to have a seal, must be impressed on the return in the space provided for that purpose

Subsidiary companies.—The corporation making this return should attach hereto a list of all its subsidiary companies, if any, with the location of the principal place of business of each. Each subsidiary company must make a separate and distinct return.

Foreign corporations.—Foreign corporations subject to the law are required to make returns to the collector of the district in which the principal place of business in the United States is located. The gross income to be returned is that received from business transacted and capital invested in the United States. The deductions allowable are those losses and disbursements incident and necessary to the transaction of the business in this country, all as specifically set out in the act. Foreign taxes are not deductible from the gross income arising and accruing to a foreign corporation from business done or capital invested in the United States.

Penalties.—Corporations refusing or neglecting to file returns within the time prescribed by law or rendering false or fraudulent returns shall be liable to a penalty of not exceeding $10,000, and an additional tax of 50 per cent in case of neglect to file the return within the time prescribed by law, and 100 per cent in the case of a false or fraudulent return shall be added to the assessment.

Any officer of any corporation required by law to make, sign, or verify any return, who makes any false or fraudulent return or statement with intent to defeat or evade the assessment required to be made shall be guilty of a misdemeanor, and shall be fined not exceeding $2,000 or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

SUPPLEMENTARY STATEMENT.

The following information must be furnished by every corporation, joint-stock company, or association, without which the return will not be accepted as complete. The items herein relate to the items listed above and bear corresponding numbers, and the totals must agree with the totals set out in the above return.

1. Paid-up Capital Stock:
Unissued or treasury stock should not be included in this item, but only such stock as has been actually issued and is outstanding at the close of the year and for which payment has been received. Where the stock issued is payable in installments or assessments, only so much of it as has been actually paid in upon such installments or assessments should be reported.
In case no stock is issued there should be reported the amount of capital actually employed in the business and property of the corporation at the close of the year.

(a) Paid-up "common stock"	$ 7 500 000 00
(b) Paid-up "preferred stock"	1 500 000 00
Total paid-up stock	$ 9 000 000 00
or (c) Capital employed in business	$14 441 283 27

2. Indebtedness:
All interest-bearing indebtedness, for the payment of which the corporation or its property is bound, should be reported below. In the case of banking corporations and like financial institutions deposits should not be reported as indebtedness. Indebtedness wholly secured by collateral, the subject of sale in the ordinary business of the corporation, should be reported here, but such indebtedness must not be entered under Item 2 above nor be considered in determining the amount of interest deductible under Item 6 (a).

Character of obligation.	Rate of interest.	Principal.
Accounts payable	.....	$ 176 882 10
.....	.....	.....
.....	.....	.....
Total indebtedness	.....	$ 176 882 10

c2—7349

(over.)

Larson Exhibit No. 19.

4100

STATEMENT—Continued.

3. Gross Income:

All manufacturing, mercantile, or other corporations which determine their annual gain or loss by inventory are required to state the same in the form indicated below. If the annual income or loss is determined otherwise, the methods employed must be stated in the space provided therefor. In case the annual gain or loss is determined by inventory, merchandise must be inventoried at the cost price, as any loss in salable value will ultimately be reflected in the sales during the year when the goods are disposed of.

(a) From Operations:

Per inventory—

Sales during year	$12 258 577 10	
Stock on hand at close of year	1 627 632 53	
Total		$13 886 209 63
Purchases during year	$ 5 401 076 85	
Stock on hand at beginning of year	1 102 217 66	
Total		$ 6 503 294 51
*Total gain or loss (3 (a), first page)		$ 7 382 915 12

In the case of manufacturing corporations, "Purchases during the year" will include so much of the cost of goods, finished or unfinished, sold or unsold, as has not been separately deducted under any item of the return.

Overhead charges should not be included in inventory (see Item 4).

*(If inventory shows loss, make entry in red ink or strike out "gain.")

If inventory is not used, state below method of determining gain or loss from operations:

.....

.....

.....

In case of the sale of capital assets acquired prior to March 1, 1913, the profit or income to be returned will be the difference between the fair market value of such assets as of March 1, 1913, and the price at which they are sold. If acquired subsequent to March 1, 1913, then the profit or income to be returned is the difference between the cost and the selling price.

In the case of the sale of assets acquired prior to March 1, 1913, state—

(1) Original cost of assets ..... $.....

(2) Fair market price or value as of March 1, 1913 .....

(3) Price at which assets were sold .....

State how fair market price or value as of March 1, 1813, was determined:

.....

.....

(b) From Rentals:

Rentals to be reported as income will include all payments received in cash or its equivalent as rent on buildings or other property owned by the corporation making the return, as well as all royalties received.

(c) From Interest:

Interest to be reported as income includes all interest received on bonds or securities owned by the corporation with the exception of interest on obligations of a State or political subdivision thereof or interest upon the obligations of the United States or its possessions, which latter interest for the purpose of information should be extended below:

U. S., State, and Other Obligations.

Name of obligation.	Amount of principal.	Rate.	Amount of interest received.
Real Estate Rentals	$.....	.....	$ 74,063.95
Bond Interest	.....	.....	1,617.95
Notes Receivable & Bank Balance	.....	.....	27,808.03
Total	$.....	.....	103,489.93

(d) From Dividends Received:

Any distribution made or ordered to be made by a corporation out of its earnings or profits accrued since March 1, 1913, whether in cash or stock of the paying company, must be returned by the receiving corporation as income of the year in which the distribution was made or ordered to be made. Stock dividends must be returned to the amount of their cash value and such cash value is held to be the proportionate share of the surplus accrued to the paying corporation since March 1, 1913, as is represented by the stock distributed or ordered to be distributed to the receiving corporation.

(e) From Other Sources:

All other sources from which income has been received, and the amount thereof, should be itemized below:

Dividend on Foreign Corporation Stock	$ 30,000.00
Export Rebates	1,800.77
Guatemala Concession	678.96
Profit on Claims	7,057.94
Light & Power	11,438.06
Total	$ 50,975.73

4. Expenses, General:

This item should include only the ordinary and necessary expenses paid within the year in the maintenance and operation of the business and properties of the corporation, itemized as per schedule below, and will not include any disbursements the deduction of which is specially provided for in the return form proper on the obverse side of this form.

Interest paid on indebtedness wholly secured by property collateral the subject of sale or hypothecation in the ordinary business of the corporation as a dealer only in the property constituting such collateral or in the loaning of funds thereby produced, is an allowable deduction as a business expense to an amount of the interest paid on such indebtedness not in excess of the actual value of the collateral securing it.

All expenses of material, labor, fuel, and other items entering into the cost of goods purchased, sold, or inventoried are deductible under this head as expense, provided such items have not been considered in determining the cost or purchases during the year when the income derived from operations is ascertained through an inventory as set out in Item 3 (a) of this statement.

Expenditures for incidental repairs which do not add to the value or appreciably prolong the life of property are deductible as expenses, but expenditures for new buildings, permanent improvements or betterments which increase the value of property, or for restoring or replacing property, are not deductible under this or any other item of the return. Such expenditures are properly chargeable to capital account, to be extinguished through annual depreciation allowances.

Payments made to officers or employees who are stockholders, which payments are made in the guise of salaries or compensation and the amount of which is based upon the stockholdings of such

Corporations paying to individuals salaries or rentals in excess of $3,000 per year are required to withhold the normal tax of 2 2 per cent (1 per cent for 1916) on the entire amount so paid, unless certificates of exemption are filed, in which case the tax must be withheld on the amount in excess of the exemption claimed. The tax so withheld must be returned on Form 1042, which, together with all certificates of exemption, must be filed in the Collector's office not later than March 1.

Notwithstanding the withholding of the tax, the individual receiving income from this and all other sources in excess of $3,000 must also make returns on Form 1040.

(b) Payments in Lieu of Rent:

This item should include all royalties and other charges, including any interest payments which the corporation is required to make for the right to use and possess property in which it has no title, interest, or equity. See Note 6 (a).

5. (a) Losses:

Losses deductible under this item must be distinguished from depreciation or allowances for exhaustion, wear and tear. The losses must be absolute, complete, actually sustained during the year and charged off on the books of the corporation, and if the losses result from the sale of assets acquired prior to March 1, 1913, such losses shall be ascertained by taking the difference between the fair market price or value as of March 1, 1913, and the selling price.

Losses compensated by insurance or otherwise are not deductible.

Kind of asset.	Original amount.	Date charged off	Amount charged off
Accounts Receivable	$.....	.....	$ 45 022 86
" "	T&Kan	.....	22 500 00
Total			$ 67 522 86

When were the deducted losses ascertained to be such? .....

How were they so ascertained? .....

In case of losses resulting from the sale of capital assets acquired prior to March 1, 1913, state—

(1) Original cost of assets ..... $.....

(2) Fair market price or value as of March 1, 1913 .....

(3) Loss resulting from such sale .....

State also how the fair market price or value as of March 1, 1913, was ascertained:

.....

.....

(b) Depreciation:

The amount deductible on account of depreciation is an amount charged off which fairly measures the loss during the year in the value of physical property by reason of exhaustion, wear and tear. Such amount should be determined upon the basis of the cost of the property and the probable number of years constituting its life. Stocks, bonds, and like securities, as well as any other intangible assets, are not subject to exhaustion, wear and tear within the meaning of the law. Hence any amount charged off as representing a shrinkage in the value of such assets is not deductible either as depreciation or loss.

Depreciation computed on total invoice value of merchandise in stock is not an allowable deduction, since any loss due to the shrinkage in the salable value of the merchandise will be reflected in the sales when the merchandise is disposed of.

Kind of property	Its cost	Probable life after acquirement	Amount of depreciation	
			This year	Previous years
Real Estate	$.....	.....	$ 40,820.91	.....
Chicago & Brooklyn Facty. Expense	.....	.....	61,529.56	.....
.....	.....	.....	.....	.....
Totals	$.....	.....	$102,350.47	.....

If buildings, state kind of construction.

(c) Depletion:

Depletion applies to the exhaustion of natural deposits and contemplates a deduction to return to the corporation the capital invested, or in case of purchase prior to March 1, 1913, an amount sufficient to return to the corporation the fair market value of such deposits as of that date. An allowable deduction on account of depletion must not exceed the fair market value in the mine of the product thereof mined and sold during the year, and in case of oil or gas wells the amount deductible should be computed upon the basis of the decline in the settled flow. The amount sought to be deducted on this account must be charged off on the books of the company.

*Kind of property	Its cost if acquired subsequent to March 1, 1913	†Fair market value as of March 1, 1913	Amount of depletion	
			This year	All years to date
.....	$.....	$.....	$.....	$.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

*Coal, iron ore, copper, oil or gas.

†State how fair market value of March 1, 1913, was determined.

.....

.....

6. (a) Interest Deductible:

The amount of interest deductible under this item is the amount actually paid within the year on an amount of bonded or other indebtedness not in excess of the paid-up capital stock outstanding at the close of the year, or if no capital stock, the entire amount of capital (not including interest-bearing indebtedness) employed in the business at the close of the year, plus, in each case, one-half of the interest-bearing indebtedness also then outstanding.

Capital employed in the business, as here used, contemplates the entire capital paid in by the members of the company, including so much of the accumulated surplus as is not in excess of the needs of the business, but does not include any borrowed capital or interest-bearing indebtedness.

Interest, so-called, or dividends paid upon preferred capital stock, is not deductible.

Interest deductible under this item includes all interest actually paid within the year not in excess of the limit hereinbefore indicated on any debt for which the corporation or any property in which it has title, interest, or equity is pledged, except interest on indebtedness wholly secured by collateral the subject of sale or hypothecation in the ordinary business of the company, etc., which interest is deductible under Item 4 (b) as a business expense.

Interest Payments Actually Made During Year.

All forms of indebtedness upon which interest was paid should be listed here.

Name or kind of obligation	Amount of principal	Rate of interest	Amount of interest paid
Bills payable	$.....	6	$ 5 400 00
.....	.....	.....	.....
Total	$.....		$ 5 400 00

gain or loss from operations:

.....

.....

.....

In case of the sale of capital assets acquired prior to March 1, 1913, the profit or income to be returned will be the difference between the fair market value of such assets as of March 1, 1913, and the price at which they are sold. If acquired subsequent to March 1, 1913, then the profit or income to be returned is the difference between the cost and the selling price.

In the case of the sale of assets acquired prior to March 1, 1913, state—

(1) Original cost of assets..... $.....
(2) Fair market price or value as of March 1, 1913.....
(3) Price at which assets were sold.....

State how fair market price or value as of March 1, 1813, was determined:

.....

.....

(b) From Rentals:

Rentals to be reported as income will include all payments received in cash or its equivalent as rent on buildings or other property owned by the corporation making the return, as well as all royalties received.

(c) From Interest:

Interest to be reported as income includes all interest received on bonds or securities owned by the corporation with the exception of interest on obligations of a State or political subdivision thereof or interest upon the obligations of the United States or its possessions, which latter interest for the purpose of information should be extended below:

U. S., State, and Other Obligations.

Name of obligation.	Amount of principal.	Rate.	Amount of interest received.
Real Estate Rentals	$.....	.....	$ 74,063.95
Bond Interest	.....	.....	1,617.95
Notes Receivable & Bank Balance	.....	.....	27,808.03
Total	$.....	.....	103,489.93

(d) From Dividends Received:

Any distribution made or ordered to be made by a corporation out of its earnings or profits accrued since March 1, 1913, whether in cash or stock of the paying company, must be returned by the receiving corporation as income of the year in which the distribution was made or ordered to be made. Stock dividends must be returned to the amount of their cash value and such cash value is held to be the proportionate share of the surplus accrued to the paying corporation since March 1, 1913, as is represented by the stock distributed or ordered to be distributed to the receiving corporation.

(e) From Other Sources:

All other sources from which income has been received, and the amount thereof, should be itemized below:

Dividend on Foreign Corporation Stock	$ 30,000.00
Export Rebates	1,800.77
Guatemala Concession	678.96
Profit on Claims	7,057.94
Light & Power	11,438.06
Total	$ 50,975.73

4. Expenses, General:

This item should include only the ordinary and necessary expenses paid within the year in the maintenance and operation of the business and properties of the corporation, itemized as per schedule below, and will not include any disbursements the deduction of which is specially provided for in the return form proper on the obverse side of this form.

Interest paid on indebtedness wholly secured by property collateral the subject of sale or hypothecation in the ordinary business of the corporation as a dealer only in the property constituting such collateral or in the loaning of funds thereby produced, is an allowable deduction as a business expense to an amount of the interest paid on such indebtedness not in excess of the actual value of the collateral securing it.

All expenses of material, labor, fuel, and other items entering into the cost of goods purchased, sold, or inventoried are deductible under this head as expense, provided such items have not been considered in determining the cost or purchases during the year when the income derived from operations is ascertained through an inventory as set out in Item 3 (a) of this statement.

Expenditures for incidental repairs which do not add to the value or appreciably prolong the life of property are deductible as expenses, but expenditures for new buildings, permanent improvements or betterments which increase the value of property, or for restoring or replacing property, are not deductible under this or any other item of the return. Such expenditures are properly chargeable to capital account, to be extinguished through annual depreciation allowances.

Payments made to officers or employees who are stockholders, which payments are made in the guise of salaries or compensation and the amount of which is based upon the stockholdings of such officers or employees, are not deductible as a business expense.

(a) 1. Labor, wages, commissions, etc		$ 429 245 78
2. Fuel, light, power, etc		9 541 31
3. Rentals (ordinary)		18 260 00
4. Repairs, ordinary and incidental		.....
5. Interest on indebtedness wholly secured by collateral the subject of sale, etc		.....
6. Salaries of officers		132 848 32
7. Other expenditures—Classify	Adv. Discounts	
	Salesmen	
	Postage	3 668 206 13
	Freight	
	Expense, etc.	
Total expenses		$4 258 101 54

4. (a) 8. Names of officers and employees to whom salaries of $3,000 or more were paid during the year and amount paid to each. (If the space below is not adequate, a list marked "Item 4 (a)" containing this information should be attached to this form.)

Name	Address	Amount
.....	.....	$ .....
SEE FORM 1042 FILED	.....	.....
.....	.....	.....
	Total	$.....

Where sufficient space is not provided for the entry of the information required in the "Supplementary Statement," lists containing full information in the form indicated should be marked in accordance with the particular item and attached to this form.

When were the deducted losses ascertained to be such?.....
How were they so ascertained?.....
In case of losses resulting from the sale of capital assets acquired prior to March 1, 1913, state—
(1) Original cost of assets..... $.....
(2) Fair market price or value as of March 1, 1913.....
(3) Loss resulting from such sale.....
State also how the fair market price or value as of March 1, 1913, was ascertained:

.....

.....

.....

(b) Depreciation:

The amount deductible on account of depreciation is an amount charged off which fairly measures the loss during the year in the value of physical property by reason of exhaustion, wear and tear. Such amount should be determined upon the basis of the cost of the property and the probable number of years constituting its life. Stocks, bonds, and like securities, as well as any other intangible assets, are not subject to exhaustion, wear and tear within the meaning of the law. Hence any amount charged off as representing a shrinkage in the value of such assets is not deductible either as depreciation or loss.

Depreciation computed on total invoice value of merchandise in stock is not an allowable deduction, since any loss due to the shrinkage in the salable value of the merchandise will be reflected in the sales when the merchandise is disposed of.

Kind of property	Its cost	Probable life after acquirement	Amount of depreciation	
			This year	Previous years
Real Estate	$.....	.....	$ 40,820.91	.....
Chicago & Brooklyn Facty. Expense	.....	.....	61,529.56	.....
.....	.....	.....	.....	.....
Totals	$.....	.....	$102,350.47	.....

If buildings, state kind of construction.

(c) Depletion:

Depletion applies to the exhaustion of natural deposits and contemplates a deduction to return to the corporation the capital invested, or in case of purchase prior to March 1, 1913, an amount sufficient to return to the corporation the fair market value of such deposits as of that date. An allowable deduction on account of depletion must not exceed the fair market value in the mine of the product thereof mined and sold during the year, and in case of oil or gas wells the amount deductible should be computed upon the basis of the decline in the settled flow. The amount sought to be deducted on this account must be charged off on the books of the company.

*Kind of property	Its cost if acquired subsequent to March 1, 1913	†Fair market value as of March 1, 1913	Amount of depletion	
			This year	All years to date
.....	$.....	$.....	$.....	$.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

*Coal, iron ore, copper, oil or gas.

†State how fair market value of March 1, 1913, was determined.

.....

.....

6. (a) Interest Deductible:

The amount of interest deductible under this item is the amount actually paid within the year on an amount of bonded or other indebtedness not in excess of the paid-up capital stock outstanding at the close of the year, or if no capital stock, the entire amount of capital (not including interest-bearing indebtedness) employed in the business at the close of the year, plus, in each case, one-half of the interest-bearing indebtedness also then outstanding.

Capital employed in the business, as here used, contemplates the entire capital paid in by the members of the company, including so much of the accumulated surplus as is not in excess of the needs of the business, but does not include any borrowed capital or interest-bearing indebtedness.

Interest, so-called, or dividends paid upon preferred capital stock, is not deductible.

Interest deductible under this item includes all interest actually paid within the year not in excess of the limit hereinbefore indicated on any debt for which the corporation or any property in which it has title, interest, or equity is pledged, except interest on indebtedness wholly secured by collateral the subject of sale or hypothecation in the ordinary business of the company, etc., which interest is deductible under Item 4 (b) as a business expense.

Interest Payments Actually Made During Year.

All forms of indebtedness upon which interest was paid should be listed here.

Name or kind of obligation	Amount of principal	Rate of interest	Amount of interest paid
Bills payable	$.....	6	$ 5 400 00
.....	.....	.....	.....
Total	$.....		$ 5 400 00

(b) Interest Paid on Deposits:

Interest paid (by banks) on deposits or on money received for investment and secured by interest-bearing certificates of indebtedness issued by a bank, banking association, loan or trust company is deductible in the entire amount so paid.

7. (a) Taxes—Federal, State, etc..... $683,475.87
(b) Taxes—Foreign.....

Taxes deductible under these items are such taxes as are imposed by the United States, by any State or Territory, or by any political subdivision thereof, or by the Government of any foreign country, and are actually paid or accrued on the books of the corporation, not in excess of the amount due and payable within the year for which the return is made, except that taxes imposed under the laws of a foreign Government are not deductible from the income arising and accruing to a foreign corporation by reason of the business transacted or capital invested in this country, and except that taxes paid for local benefits or taxes paid by corporations pursuant to covenants guaranteeing their bonds to be tax-free, are not deductible.

Taxes paid by banks or other corporations on the value of their capital stock out-standing and in the hands of stockholders are not deductible. Such taxes are a primary liability of the stockholders, as such chargeable against their income.

State whether or not this return is made on the basis of actual receipts and dispursements.....

If not, describe fully what other basis or method was used in computing net income.

.....

.....

.....

Larson Exhibit No. 19.

Sheet 3

LARSON EXHIBIT No. 19

To be filled in by Internal Revenue Bureau.

Audited by.....

Form 1031.
(Revised October, 1916.)

INCOME TAX.

The Penalty

For failure to have this Return in the hands of the Collector of Internal Revenue within the time required by law is not more than $10,000 and the assessment is increased fifty per cent.

Return of Annual Net Income.
(Title I, Parts II and III, of the Act of September 8, 1916.)

CORPORATIONS.
(Other than Insurance Companies.)

To be filled in by Collector.

Collection District.....
Assessment List 23-A....., 191
(Month.)
Page..... Line.....

Important.
Read this form and all instructions carefully and fill in supplementary statement before making entries in return proper. Totals in supplementary statement must agree with totals in return.

Above space to be stamped by Collector, showing district and date filed.

Return of Net Income for the {Calendar / *Fiscal} year ended December 31, 1916.

by Wm Wrigley Jr. Company
(Name of corporation, joint-stock company, or association.)
and located at 5 No. Wabash Ave. Chicago Illinois
(Street and number.) (City or town.) (State.)
(The address given must be that of the principal place of business of the corporation.)
Chewing Gum Manufacturing
(Kind of business.)

If no figures are to be extended opposite any item in the return, the word "None" should be inserted.

1. Total amount of paid-up capital stock outstanding at the close of the year, or if no capital stock, the capital, other than interest-bearing indebtedness, employed in the business at the close of the year	$9 000 000 00
2. Total amount of bonded and other interest-bearing indebtedness outstanding at close of year, exclusive of indebtedness wholly secured by collateral, the subject of sale or hypothecation in ordinary business of the corporation	$ None

3. Gross Income:	Dollars. Cts.	Deductions.	Dollars. Cts.
(a) From operations	$7 382 915 12	4. (a) Expenses, general	$4 258 101 54
(b) From rentals	74 063 95	(b) Payments in lieu of rent	.....
(c) From interest	29 425 98	5. (a) Losses sustained charged off	45 022 86
(d) From dividends received	30 000 00	(b) Depreciation charged off	102 350 47
(e) From other sources	20 975 73	(c) Depletion charged off	.....
Total gross income	$7 537 380 78	6. (a) Interest paid (see Note 6a)	5 400 00
Total deductions	5 094 350 74	(b) Interest paid by banks on deposits	.....
8. Net income	$2 443 030 04	7. (a) Taxes, domestic paid	683 475 87
9. Tax assessable at 2%	$ 48 860 60	(b) Taxes, foreign paid	.....
10.	.....	Total deductions	$5 094 350 74
Total	.....		

We, ..., President, and ....., Treasurer, of the above-named company, whose return of net income is herein set forth, being severally duly sworn, each for himself, deposes and says that the items entered in the foregoing report and in the supplementary statement and in any additional list or lists attached to or accompanying this return are, to his best knowledge and belief, true and correct in each and every particular.

Sworn to and subscribed before me this
day of 191 .

E W Eckerly
Vice President.
J. C. Cox
Treasurer.

Seal of officer taking affidavit.

(Official capacity.)

GENERAL INSTRUCTIONS.

Time of filing returns.—Returns made on the basis of a calendar year must be filed on or before March 1 with the Collector of Internal Revenue of the district in which is located the principal place of business of the corporation; if made on the basis of a Fiscal Year* they must be filed within 60 days after the close of such year.

*Fiscal year.—Corporations desiring to make returns of annual net income on the basis of a fiscal year other than the calendar year must, not less than 30 days prior to March 1 of the year in which the return would be due if made on the calendar year basis, file with the Collector a notice in writing designating the last day of some month as the close of such fiscal year. A return for that portion of the calendar year ending with the date designated as the close of the fiscal year must be filed on or before the first day of March of the next calendar year, and the return for each full fiscal year thereafter must be filed within 60 days after the closing date of the fiscal year so established.

Extension of time.—In the case of neglect to file the return within the prescribed time, the Collector is authorized to grant an extension of the filing period not exceeding 30 days from the normal due date, provided such neglect was due to absence or sickness and provided an application for such extension is made in writing prior to the expiration of the period for which extension may be granted. In meritorious cases the Commissioner is authorized to grant such further extension as he may deem proper.

Signatures and verification.—Returns must be signed and verified by two officers of the corporation, that is, by the president, vice president, or other principal officer, and the treasurer or other financial officer, and must be sworn to before an officer authorized to administer oaths, and the seal of the attesting officer, if he is required to have a seal, must be impressed on the return in the space provided for that purpose.

Subsidiary companies.—The corporation making this return should attach hereto a list of all its subsidiary companies, if any, with the location of the principal place of business of each. Each subsidiary company must make a separate and distinct return.

Foreign corporations.—Foreign corporations subject to the law are required to make returns to the Collector of the District in which is located the principal place of business or agency through which is transacted the business in the United States, or if the corporation has no place of business or agency in the United States, its return will be filed with the Collector of Internal Revenue at Baltimore, Maryland. The gross income to be returned is that received from business transacted and capital invested in the United States, including interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, and including income derived from dividends on capital stock or from net earnings of resident corporations, joint-stock companies, or associations whose net income is taxable under this law. The deductions allowable are those losses and disbursements incident and necessary to the transaction of the business in this country, all as specifically set out in the Act. Foreign taxes are not deductible from the gross income arising and accruing to a foreign corporation from business done or capital invested in the United States. In the case of a foreign corporation having no place of business or agency in the United States and no return is made, the tax on income from interest and dividends will be withheld at the source.

Penalties.—Corporations refusing or neglecting to file returns within the time prescribed by law or rendering false or fraudulent returns shall be liable to a penalty of not exceeding $10,000, and an additional tax of 50 per cent in case of neglect to file the return within the time prescribed by law, and 100 per cent in the case of a false or fraudulent return shall be added to the assessment; provided in case of delinquency, if the return is voluntarily filed without notice from the Collector, and it is shown that delay in filing was due to reasonable cause and not to willful neglect, the 50 per cent additional tax will not be assessed.

Any officer of any corporation required by law to make, render, sign, or verify any return, who makes any false or fraudulent return or statement with intent to defeat or evade the assessment required to be made shall be guilty of a misdemeanor, and shall be fined not exceeding $2,000 or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

SUPPLEMENTARY STATEMENT.

The following information must be furnished by every corporation, joint-stock company, or association, without which the return will not be accepted as complete. The items herein relate to the items listed in the above return form and bear corresponding numbers, and the totals set out in the above return must agree with the totals hereinafter set out.

1. Paid-up Capital Stock:

Unissued or treasury stock should not be included in this item, but only such stock as has been actually issued and is outstanding at the close of the year and for which payment has been received. Where the stock issued is payable in installments or assessments, only so much of it as has been actually paid in upon such installments or assessments should be reported.

If no capital stock is issued or if the capital stock is issued without par value, the amount of capital invested in the business at the close of the year, not including borrowed capital, will be entered under this item.

(a) Paid-up "common stock"	$ 7 500 000 00
(b) Paid-up "preferred stock"	1 500 000 00
Total paid-up stock	$ 9 000 000 00
or (c) Capital employed in business	$15 920 015 73

2. Indebtedness:

All interest-bearing indebtedness, for the payment of which the corporation or its property is bound, should be reported below. In the case of banking corporations and like financial institutions, deposits should not be reported as indebtedness. Indebtedness wholly secured by collateral, the subject of sale or hypothecation in the ordinary business of the corporation, should be reported here, but such indebtedness must not be entered under Item 2 above nor be considered in determining the amount of interest deductible under Item 6 (a).

Character of obligation.	Rate of interest.	Principal.
.....	.....	$.....
.....	.....	.....
None		
Total indebtedness	.....	$.....

c 2—7349

Larson Exhibit No. 19.

4102

3. Gross Income:

All manufacturing, mercantile, and other corporations which determine their annual gain or loss by inventory are required to state the same in the form indicated below. If the annual income or loss is determined otherwise, the methods employed must be stated in the space provided.

The profit or income to be returned in the event of the sale of capital assets should be determined upon the basis of the difference between the cost and selling price of such assets. If the assets were acquired prior to January 1, 1909, the profit resulting from their sale may be prorated, in which case the amount apportioned to the years subsequent to January 1, 1909, will be included as income of the year in which sold.

(a) From Operations:

Per inventory—

Sales during year	$9 607 413 46	
Stock on hand at close of year	1 479 373 85	
Total		$11 086 787 31
Purchases during year	$2 759 722 99	
Stock on hand at beginning of year	2 648 677 42	
Total		$ 5 408 400 41
Total gain or loss (3 (a), first page)		$ 5 678 386 90

In the case of manufacturing corporations "Purchases during the year" will include so much of the cost of goods, finished or unfinished, sold or unsold, as has not been separately deducted under any item of the return.

Overhead charges should not be included in inventory (see Item 4)

(If inventory shows loss, make entry in red ink or strike out gain.)

If inventory is not used, state below method of determining gain or loss from operations:

.....

.....

.....

.....

(b) From Rentals:

Rentals to be reported as income will include all payments received in cash or its equivalent as rent on buildings or other property owned by the corporation making the return, as well as all royalties received.

(c) From Interest:

Interest to be reported as income includes all interest received on bonds or securities owned by the corporation with the exception of interest on obligations of a State or political subdivision thereof or interest upon the obligations of the United States or its possessions, which latter interest for the purpose of information should be extended below:

U. S., State, and other Obligations.

Name of obligation	Amount of principal.	Rate.	Amount of interest received
Rentals	$.....	.....	$ 67,387.50
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
Total	$.....	.....	$ 67,387.50

(d) From Dividends Received:

Dividends received upon the stock of other corporations must be included in the gross income of the corporation receiving the same and are not deductible from gross income in ascertaining the net income upon which the tax is computed.

(e) From Other Sources:

All other sources from which income has been received, and the amount thereof, should be itemized below:

Interest	$ 7 501 79
Drawbacks	8 884 69
Concessions	36 157 25
Claims	4 918 65
Total	$ 57 462 38

DEDUCTIONS.

4. Expenses, General:

The items below should only include the ordinary and necessary expenses paid within the year in the maintenance and operation of the business and properties of the corporation, not including interest payments (which are to be reported under Item 6 (a), except interest paid on indebtedness wholly secured by collateral the subject of sale in the ordinary business of the corporation, which interest may be reported under this item as an expense.

All expenses for material, labor, fuel, and other items entering into the cost of the goods produced, sold, or inventoried are deductible under this head as expense, provided such items have not been considered in determining the income derived from operations under Item 3 (a), Inventory.

Expenditures for incidental repairs which do not add to the value of the property are deductible as expenses, but expenditures for additions and betterments which add to the value of the property are not deductible under this or any other item of the return. Expenditures for renewals and replacements are not, as such, deductible as expenses, but should be charged to depreciation reserve account.

Salaries of officers in order to constitute an allowable deduction must be reasonable compensation for the services rendered and must not be based upon the stock holdings nor comprehend any compensation for capital invested in the business.

Payments in lieu of rent should be reported separately under Item 4 (b).

(a) 1. Labor, wages, commissions, etc	$ 274 758 85
2. Fuel, light, power, etc	5 590 12
3. Rentals (ordinary)	15 330 00
4. Repairs, ordinary and incidental	.....
5. Interest on indebtedness wholly secured by collateral the subject of sale, etc	.....
6. Salaries of officers	152 416 69
7. Other expenditures—Classify	2 439 745 70
.....	.....
.....	.....
Total expenses	$2 887 841 36

4. (a) 8. Names of officers and employees to whom salaries of $3,000 or more were paid during the year and amount paid to each. (If the space below is not adequate, a list marked "Item 4 (a)" containing this information should be attached to this form.)

Name.	Amount.
.....	$.....
See Income Return 1042 Filed	.....
Total	$.....

(b) Payments in Lieu of Rent:

This item should include all royalties, as well as interest paid in lieu of rent on mortgages secured by property which the corporation occupies but which it does not own and in which it has no equity. See Note 6 (a).

5. (a) Losses:

Losses deductible under this item must be distinguished from depreciation or allowances for wear and tear, exhaustion, or obsolescence of property. The losses must be absolute, complete, actually sustained during the year, and charged off on the books of corporation, and if the loss results from the sale of assets acquired prior to January 1, 1909, such loss shall be prorated and the amount apportioned to the years subsequent to January 1, 1909, may be deducted under this item.

Losses compensated by insurance or otherwise are not deductible.

Kind of asset.	Original amount.	Date charged off.	Amount charged off.
.....	$.....	.....	$.....
.....	.....	.....	.....
.....	.....	.....	.....
Total			$.....

When were the deducted losses asceratined to be such?.....

How were they so ascertained?.....

.....

(b) Depreciation:

The amount deductible on account of depreciation is an amount which fairly measures the deterioration during the year in the value of pyysical property by reason of use, wear and tear, and such amount should be determined upon the basis of the cost of the property, and the probable number of years constituting its life. Stocks, bonds, and like securities are not subject to wear and tear within the meaning of the law, and any shrinkage in their value due to fluctuations in the market is not deductible either as depresiation or loss.

Depreciation computed on total invoice value of merchandise in stock is not an allowable deduction. However, the extent of shrinkage in value below invoice cost of certain articles of merchandise in stock, determined upon the individual articles affected, may be taken and should be reflected in the value of merchandise inventory shown in the supplementary statement 3 (a).

Kind of property.	Its cost.	Probable life after	Amount of depreciation.	
			This year	Previous years.
.....	$.....	.....	$.....	$.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
Totals	$.....	.....	$.....	$.....

If buildings, state kind of construction.

(c) Depletion applies to the wasting of natural deposits and contemplates a deduction to return to the corporation the cost of or capital invested in such deposits, provided such deduction must not exceed 5 per cent of the gross value at the mine (or well) of the output of the year.

"Depletion."

*Kind of property.	†Its cost	Gross value at mine of output for year.	Amount of depletion.	
			This year.	All years to date.
.....	$.....	$.....	$.....	$.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

*Coal, iron ore, copper, oil, or gas.

†Cost to include only initial purchase price plus all carrying charges not deducted from gross income for purpose of special excise and income tax.

6. (a) Interest Deductible:

The amount of interest which may be deducted under this item is the amount actually accrued (due and payable) and paid within the year on an amount of bonded or other indebtedness not in excess of the paid-up capital stock outstanding at the close of the year plus one-half of the interest-bearing indebtedness also then outstanding. Where there is no capital stock the amount of interest deductible is the amount actually paid on an amount of indebtedness not in excess, at any time during the year, of the capital employed in the business at the close of the year.

Interest paid on mortgage indebtedness, assumed or unassumed, on property to which the corporation has taken or is taking title, or in which it has an equity; or in the acquirement of which the mortgage was considered a part of the purchase price, should be reported under this item, as such indebtedness is held to be the debt of the corporation.

Interest paid in lieu of rent on mortgage indebtedness secured by property which the corporation occupies, but does not own, or have an equity in, should be reported under Item 4 (a). Such debt is a debt of the property and not of the corporation.

Interest paid on indebtedness wholly secured by collateral the subject of sale in the ordinary business of the corporation should be reported under Item 4 (a).

Interest Payments Actually Made During Year.

All forms of indebtedness upon which interest was paid should be listed here.

Name or kind of obligation.	Amount of principal.	Rate of interest.	Amount of interest paid.
.....	$.....	.....	$.....
.....	.....	.....	.....
.....	.....	.....	.....
Total	$.....	.....	$.....

(b) Interest Paid on Deposits:

Interest paid on deposits is a proper deduction from gross income under this item in case of banks and banking institutions only.

7. (a) Taxes—Federal and State:

(b) Taxes—Foreign:

Taxes deductible under these items are such taxes actually paid within the year as are imposed by either the United States or any State or Territory thereof, or by the Government of any foreign country, not including taxes for local benefits, nor taxes paid by corporations pursuant to covenants guaranteeing their bonds to be tax free.

A reserve for taxes, as such, is not deductible.

Banks paying taxes assessed on the value of their capital stock outstanding and in the hands of their stockholders can not deduct the same. Such taxes are a liability of the stockholders, deductible from the dividends of such stockholders.

Where sufficient space is not provided for the entry of the information required in the "Supplementary statement," lists containing full information in the form indicated should be marked in accordance with the particular item and attached to this form.

c2—7349

Larson Exhibit No. 19.

-1103-

Sheet 4.

LARSON EXHIBIT No. 19

To be filled in by Internal Revenue Bureau.

Audited by.....

Form 1031.
(Revised October, 1916.)

INCOME TAX.

The Penalty
For failure to have this Return in the hands of the Collector of Internal Revenue within the time required by law is not more than $10,000 and the assessment is increased fifty per cent.

Amended Return

Copy

Return of Annual Net Income.
(Title I, Parts II and III, of the Act of September 8, 1916.)

CORPORATIONS.
(Other than Insurance Companies.)

To be filled in by Collector.

Collection District.....
Assessment List 23-A....., 191
(Month.)
Page..... Line.....

Important.
Read this form and all instructions carefully and fill in supplementary statement before making entries in return proper. Totals in supplementary statement must agree with totals in return.

Above space to be stamped by Collector, showing district and date filed.

Return of Net Income for the {Calendar} year ended December 31, 1916.
{*Fiscal }

by Wm Wrigley Jr. Company
(Name of corporation, joint-stock company, or association.)
and located at 5 No. Wabash Ave. Chicago Illinois
(Street and number.) (City or town.) (State.)
(The address given must be that of the principal place of business of the corporation.)

Chewing Gum Manufacturing
(Kind of business.)

If no figures are to be extended opposite any item in the return, the word "None" should be inserted.

1. Total amount of paid-up capital stock outstanding at the close of the year, or if no capital stock, the capital, other than interest-bearing indebtedness, employed in the business at the close of the year	$9 000 000 00
2. Total amount of bonded and other interest-bearing indebtedness outstanding at close of year, exclusive of indebtedness wholly secured by collateral, the subject of sale or hypothecation in ordinary business of the corporation	$ None

3. Gross Income:	Dollars. Cts.	Deductions.	Dollars. Cts.
(a) From operations	$7 382 915 12	4. (a) Expenses, general	$4 258 101 54
(b) From rentals	74 063 95	(b) Payments in lieu of rent	
(c) From interest	29 425 98	5. (a) Losses sustained charged off	67 522 86
(d) From dividends received	30 000 00	(b) Depreciation charged off	102 350 47
(e) From other sources	178 635 14	(c) Depletion charged off	
		6. (a) Interest paid (see Note 6a)	5 400 00
Total gross income	$7 695 040 19	(b) Interest paid by banks on deposits	
Total deductions	5 116 850 74	7. (a) Taxes, domestic paid	683 475 87
		(b) Taxes, foreign paid	
8. Net income	$2 578 189 45	Total deductions	$5 116 850 74
9. Tax assessable at 2%	$ 51 563 78		
10. Amount paid as per original schedule	$ 48 860 60		
Total Balance due	$ 2 703 18		

SURPLUS ACCOUNT CREDITS.

Old Sprinkler System of Desiccating Plant in London, Ont. resold	$ 750.00
7/30/16—Int. on Wrigley's Ltd. note of 4/6/16 $20,665.02, 4/6/16 to 7/31/16 at 6%	392.63
Wrigley's Ltd. Offset amount charged off 11/4/13 reinstated and received note for same 4/6/16	100,000.00
1/29/17—Wrigley's Ltd. Additional charge for excess freight charges paid during 1916	19,020.13
12/22/15—Wrigley's Ltd. Interest on account due us from 1/1/15 to 12/31/15 at 6%	11,884.62
12/22/15—Wrigley's Ltd. Interest on balance due us from 1/1/15 to 12/31/15 at 6%	5,701.80
10/17/16—Wrigley's Ltd. Interest on note 3/15/16 $66,982.99 from 3/15/16 to 10/17/16 at 6%	2,130.62
10/30/16—Wrigley's Ltd. Interest on note 4/6/16, $100,000.00 from 4/6/16 to 12/30/16 at 6%	4,400.00
Machines & Equipment resold which were received from Commercial Products Co. which account was closed out	191.42
Difference in price on goods shipped to Melbourne Factory during year 1916	13,188.19
	$157,659.41

DEBITS.

Loss sustained by Wrigley Co. Ltd. Tokyo during year 1916	22,500.00
Additions to Surplus Account	$135,159.41

P & L.	2,443,030.04	Tokyo Loss	22,500.00
Surplus	32,572.09	Surplus	32,572.09
Related "	157,659.41		55,072.09
	2,633,261.54		
	2,578,189.45		
	55,072.09		

We,....., President, and....., Treasurer, of the above-named company, whose return of net income is herein set forth, being severally duly sworn, each for himself, deposes and says that the items entered in the foregoing report and in the supplementary statement and in any additional list or lists attached to or accompanying this return are, to his best knowledge and belief, true and correct in each and every particular.

Sworn to and subscribed before me this 27th day of May, 1918.

George J. Neumann
Notary Public
(Official capacity.)

Seal of officer taking affidavit.

Commission Expires Feb. 20, 1921

E W Eckerly
Vice President.
J. C. Cox
Treasurer.

GENERAL INSTRUCTIONS.

Time of filing returns.—Returns made on the basis of a calendar year must be filed on or before March 1 with the Collector of Internal Revenue of the district in which is located the principal place of business of the corporation; if made on the basis of a Fiscal Year* they must be filed within 60 days after the close of such year.

*Fiscal year.—Corporations desiring to make returns of annual net income on the basis of a fiscal year other than the calendar year must, not less than 30 days prior to March 1 of the year in which the return would be due if made on the calendar year basis, file with the Collector a notice in writing designating the last day of some month as the close of such fiscal year. A return for that portion of the calendar year ending with the date designated as the close of the fiscal year must be filed on or before the first day of March of the next calendar year, and the return for each full fiscal year thereafter must be filed within 60 days after the closing date of the fiscal year so established.

Extension of time.—In the case of neglect to file the return within the prescribed time, the Collector is authorized to grant an extension of the filing period not exceeding 30 days from the normal due date, provided such neglect was due to absence or sickness and provided an application for such extension is made in writing prior to the expiration of the period for which extension may be granted. In meritorious cases the Commissioner is authorized to grant such further extension as he may deem proper.

Signatures and verification.—Returns must be signed and verified by two officers of the corporation, that is, by the president, vice president, or other principal officer, and the treasurer or other financial officer, and must be sworn to before an officer authorized to administer oaths, and the seal of the attesting officer, if he is required to have a seal, must be impressed on the return in the space provided for that purpose.

Subsidiary companies.—The corporation making this return should attach hereto a list of all its subsidiary companies, if any, with the location of the principal place of business of each. Each subsidiary company must make a separate and distinct return.

Foreign corporations.—Foreign corporations subject to the law are required to make returns to the Collector of the District in which is located the principal place of business or agency through which is transacted the business in the United States, or if the corporation has no place of business or agency in the United States, its return will be filed with the Collector of Internal Revenue at Baltimore, Maryland. The gross income to be returned is that received from business transacted and capital invested in the United States, including interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, and including income derived from dividends on capital stock or from net earnings of resident corporations, joint-stock companies, or associations whose net income is taxable under this law. The deductions allowable are those losses and disbursements incident and necessary to the transaction of the business in this country, all as especially set out in the Act. Foreign taxes are not deductible from the gross income arising and accruing to a foreign corporation from business done or capital invested in the United States. In the case of a foreign corporation having no place of business or agency in the United States and no return is made, the tax on income from interest and dividends will be withheld at the source.

Penalties.—Corporations refusing or neglecting to file returns within the time prescribed by law or rendering false or fraudulent returns shall be liable to a penalty of not exceeding $10,000, and an additional tax of 50 per cent in case of neglect to file the return within the time prescribed by law, and 100 per cent in the case of a false or fraudulent return shall be added to the assessment; provided in case of delinquency, if the return is voluntarily filed without notice from the Collector, and it is shown that delay in filing was due to reasonable cause and not to willful neglect, the 50 per cent additional tax will not be assessed.

Any officer of any corporation required by law to make, render, sign, or verify any return, who makes any false or fraudulent return or statement with intent to defeat or evade the assessment required to be made shall be guilty of a misdemeanor, and shall be fined not exceeding $2,000 or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

SUPPLEMENTARY STATEMENT.

The following information must be furnished by every corporation, joint-stock company, or association, without which the return will not be accepted as complete. The items herein relate to the items listed in the above return form and bear corresponding numbers, and the totals set out in the above return must agree with the totals hereinafter set out.

1. Paid-up Capital Stock:

Unissued or treasury stock should not be included in this item, but only such stock as has been actually issued and is outstanding at the close of the year and for which payment has been received. Where the stock issued is payable in installments or assessments, only so much of it as has been actually paid in upon such installments or assessments should be reported.

If no capital stock is issued or if the capital stock is issued without par value, the amount of capital invested in the business at the close of the year, not including borrowed capital, will be entered under this item.

(a) Paid-up "common stock"	$ 7 500 000 00
(b) Paid-up "preferred stock"	1 500 000 00
Total paid-up stock	$ 9 000 000 00
or (c) Capital employed in business	$15 920 015 73

2. Indebtedness:

All interest-bearing indebtedness, for the payment of which the corporation or its property is bound, should be reported below. In the case of banking corporations and like financial institutions, deposits should not be reported as indebtedness. Indebtedness wholly secured by collateral, the subject of sale or hypothecation in the ordinary business of the corporation, should be reported here, but such indebtedness must not be entered under Item 2 above nor be considered in determining the amount of interest deductible under Item 6 (a).

Character of obligation.	Rate of interest.	Principal.
.....	.....	$.....
.....	.....	.....
None		
Total indebtedness	.....	$.....

c 2—7349

SUPPLEMENTARY STATEMENT—Continued.

3. Gross Income:

All manufacturing, mercantile, or other corporations which determine their annual gain or loss by inventory are required to state the same in the form indicated below. If the annual income or loss is determined otherwise, the methods employed must be stated in the space provided therefor. In case the annual gain or loss is determined by inventory, merchandise must be inventoried at the cost price, as any loss in salable value will ultimately be reflected in the sales during the year when the goods are disposed of.

(a) From Operations:

Per inventory—

Sales during year	$12 258 577 10	
Stock on hand at close of year	1 627 632 53	
Total		$13 886 209 63
Purchases during year	$ 5 401 076 85	
Stock on hand at beginning of year	1 102 217 66	
Total		$ 6 503 294 51
*Total gain or loss (3 (a), first page)		$ 7 382 915 12

In the case of manufacturing corporations, "Purchases during the year" will include so much of the cost of goods, finished or unfinished, sold or unsold, as has not been separately deducted under any item of the return.

Overhead charges should not be included in inventory (see Item 4).

*(If inventory shows loss, make entry in red ink or strike out "gain.")

If inventory is not used, state below method of determining gain or loss from operations:

.....

.....

.....

In case of the sale of capital assets acquired prior to March 1, 1913, the profit or income to be returned will be the difference between the fair market value of such assets as of March 1, 1913, and the price at which they are sold. If acquired subsequent to March 1, 1913, then the profit or income to be returned is the difference between the cost and the selling price.

In the case of the sale of assets acquired prior to March 1, 1913, state—

(1) Original cost of assets..... $.....

(2) Fair market price or value as of March 1, 1913.....

(3) Price at which assets were sold.....

State how fair market price or value as of March 1, 1913, was determined:

.....

.....

(b) From Rentals:

Rentals to be reported as income will include all payments received in cash or its equivalent as rent on buildings or other property owned by the corporation making the return, as well as all royalties received.

(c) From Interest:

Interest to be reported as income includes all interest received on bonds or securities owned by the corporation with the exception of interest on obligations of a State or political subdivision thereof or interest upon the obligations of the United States or its possessions, which latter interest for the purpose of information should be extended below:

U. S., State, and Other Obligations.

Name of obligation.	Amount of principal.	Rate.	Amount of interest received.
Real Estate & Rentals	$.....	.....	$ 74,063.95
Bond Interest	.....	.....	1,617.95
Notes Receivable & Bank Balance	.....	.....	27,808.03
Total	$.....	.....	$ 103,489.93

(d) From Dividends Received:

Any distribution made or ordered to be made by a corporation out of its earnings or profits accrued since March 1, 1913, whether in cash or stock of the paying company, must be returned by the receiving corporation as income of the year in which the distribution was made or ordered to be made. Stock dividends must be returned to the amount of their cash value and such cash value is held to be the proportionate share of the surplus accrued to the paying corporation since March 1, 1913, as is represented by the stock distributed or ordered to be distributed to the receiving corporation.

(e) From Other Sources:

All other sources from which income has been received, and the amount thereof, should be itemized below:

Dividend on Foreign Corporation Stock	$ 30,000.00
Export Rebates	1,800.77
Guatemala Concession	678.96
Profit on Claims	7,057.94
Light & Power	11,438.06
Notes Receivable dated 4/6/16	100,000.00
Int. & chgs. to subsidiary Companies	57,659.41
Total	$ 208,635.14

4. Expenses, General:

This item should include only the ordinary and necessary expenses paid within the year in the maintenance and operation of the business and properties of the corporation, itemized as per schedule below, and will not include any disbursements the deduction of which is specially provided for in the return form proper on the obverse side of this form.

Interest paid on indebtedness wholly secured by property collateral the subject of sale or hypothecation in the ordinary business of the corporation as a dealer only in the property constituting such collateral or in the loaning of funds thereby produced, is an allowable deduction as a business expense to an amount of the interest paid on such indebtedness not in excess of the actual value of the collateral securing it.

All expenses of material, labor, fuel, and other items entering into the cost of goods purchased, sold, or inventoried are deductible under this head as expense, provided such items have not been considered in determining the cost or purchases during the year when the income derived from operations is ascertained through an inventory as set out in Item 3 (a) of this statement.

Expenditures for incidental repairs which do not add to the value or appreciably prolong the life of property are deductible as expenses, but expenditures for new buildings, permanent improvements or betterments which increase the value of property, or for restoring or replacing property, are not deductible under this or any other item of the return. Such expenditures are properly chargeable to capital account, to be extinguished through annual depreciation allowances.

Payments made to officers or employees who are stockholders, which payments are made in the guise of salaries or compensation and the amount of which is based upon the stockholdings of such officers or employees, are not deductible as a business expense.

(a) 1. Labor, wages, commissions, etc.		$ 429 245 78
2. Fuel, light, power, etc.		9 541 31
3. Rentals (ordinary)		18 260 00
4. Repairs, ordinary and incidental		.....
5. Interest on indebtedness wholly secured by collateral the subject of sale, etc.		.....
6. Salaries of officers		132 848 32
7. Other expenditures—Classify	Adv. Discounts..... Salesmen..... Postage..... Freight..... Expense, etc.....	3 668 206 13
Total expenses		$4 208 101 54

Corporations paying to individuals salaries or rentals in excess of $3,000 per year are required to withhold the normal tax of 2 per cent (1 per cent for 1916) on the entire amount so paid, unless certificates of exemption are filed, in which case the tax must be withheld on the amount in excess of the exemption claimed. The tax so withheld must be returned on Form 1042, which, together with all certificates of exemption, must be filed in the Collector's office not later than March 1.

Notwithstanding the withholding of the tax, the individual receiving income from this and all other sources of $3,000 or more must also make returns on Form 1040.

(b) Payments in Lieu of Rent:

This item should include all royalties and other charges, including any interest payments which the corporation is required to make for the right to use and possess property in which it has no title, interest, or equity. See Note 6 (a).

5. (a) Losses:

Losses deducted under this item must be destinguished from depreciation or allowances for exhaustion, wear and tear. The losses must be absolute, complete, actually sustained during the year and charged off on the books of the corporation, and if the losses result from the sale of assets acquired prior to March 1, 1913, such losses shall be ascertained by taking the difference between the fair market price or value as of March 1, 1913, and the selling price.

Losses compensated by insurance or otherwise are not deductible.

Kind of asset.	Original amount.	Date charged off	Amount charged off
Accounts Receivable			$ 45 022 86
" "			22 500 00
Total			$ 67 522 86

When were the deducted losses ascertained to be such?.....

How were they so ascertained .....

In case of losses resulting from the sale of capital assets acquired prior to March 1, 1913, state—

(1) Original cost of assets..... $.....

(2) Fair market price or value as of March 1, 1913 .....

(3) Loss resulting from such sale..... .....

State also how the fair market price or value as of March 1, 1913, was ascertained:

.....

.....

.....

(b) Depreciation:

The amount deductible on account of depreciation is an amount charged off which fairly measures the loss during the year in the value of physical property by reason of exhaustion, wear and tear. Such amount should be determined upon the basis of the cost of the property and the probable number of years constituting its life. Stocks, bonds, and like securities, as well as any other intangible assets, are not subject to exhaustion, wear and tear within the meaning of the law. Hence any amount charged off as representing a shrinkage in the value of such assets is not deductible either as depreciation or loss.

Depreciation computed on total invoice value of merchandise in stock is not an allowable deduction, since any loss due to the shrinkage in the salable value of the merchandise will be reflected in the sales when the merchandise is disposed of.

Kind of property	Its cost	Probable life after acquirement	Amount of depreciation	
			This year	Previous years
Real Estate,			$ 40,820.91	.....
Chicago & Brooklyn Facty. Exp			61,529.56	.....
.....			.....	.....
Totals			$102,350.47	.....

If buildings, state kind of construction.

(c) Depletion:

Depletion applies to the exhaustion of natural deposits and contemplates a deduction to return to the corporation the capital invested, or in case of purchase prior to March 1, 1913, an amount sufficient to return to the corporation the fair market value of such deposits as of that date. An allowable deduction on account of depletion must not exceed the fair market value in the mine of the product thereof mined and sold during the year, and in case of oil or gas wells the amount deductible should be computed upon the basis of the decline in the settled flow. The amount sought to be deducted on this account must be charged off on the books of the company.

*Kind of property	Its cost if acquired subsequent to March 1, 1913	†Fair market value as of March 1, 1913	Amount of depletion	
			This year	All years to date
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

*Coal, iron ore, copper, oil or gas.

†State how fair market value of March 1, 1913, was determined.

.....

6. (a) Interest Deductible:

The amount of interest deductible under this item is the amount actually paid within the year on an amount of bonded or other indebtedness not in excess of the paid-up capital stock outstanding at the close of the year, or if no capital stock, the entire amount of capital (not including interest-bearing indebtedness) employed in the business at the close of the year, plus, in each case, one-half of the interest-bearing indebtedness also then outstanding.

Capital employed in the business, as here used, contemplates the entire capital paid in by the members of the company, including so much of the accumulated surplus as is not in excess of the needs of the business, but does not include any borrowed capital or interest-bearing indebtedness.

Interest, so-called, or dividends paid upon preferred capital stock, is not deductible.

Interest deductible under this item includes all interest actually paid within the year not in excess of the limit hereinbefore indicated on any debt for which the corporation or any property in which it has title, interest, or equity is pledged, except interest on indebtedness wholly secured by collateral the subject of sale or hypothecation in the ordinary business of the company, etc., which interest is deductible under Item 4 (a) as a business expense.

Interest Payments Actually Made During Year.

All forms of indebtedness upon which interest was paid should be listed here.

Name or kind of obligation	Amount of principal	Rate of interest	Amount of interest paid
Bills payable	$.....	6	$ 5 400 00
.....	.....	.....	.....
Total	$.....		$ 5 400 00

(b) Interest Paid on Deposits:

Interest paid (by banks) on deposits or on money received for investment and secured by interest-bearing certificates of indebtedness issued by a bank, banking association, loan or trust company is deductible in the entire amount so paid.

7. (a) Taxes—Federal, State, etc..... $683,475.87

(b) Taxes—Foreign .....

Taxes deductible under these items are such taxes as are imposed by the United States, by any State or Territory, or by any political subdivision thereof, or by the Government of any foreign country, and are actually paid or accrued on the books of the corporation, not in excess of the amount due and payable within the year for which the return is made, except that taxes

Stock on hand at close of year	1 627 622 63	
Total		$13 886 209 63
Purchases during year	$ 5 401 076 85	
Stock on hand at beginning of year	1 102 217 66	
Total		$ 6 503 294 51
*Total gain or loss (3 (a), first page)		$ 7 382 915 12

In the case of manufacturing corporations, "Purchases during the year" will include so much of the cost of goods, finished or unfinished, sold or unsold, as has not been separately deducted under any item of the return.

Overhead charges should not be included in inventory (see Item 4).

*(If inventory shows loss, make entry in red ink or strike out "gain.")

If inventory is not used, state below method of determining gain or loss from operations:

.....

.....

.....

In case of the sale of capital assets acquired prior to March 1, 1913, the profit or income to be returned will be the difference between the fair market value of such assets as of March 1, 1913, and the price at which they are sold. If acquired subsequent to March 1, 1913, then the profit or income to be returned is the difference between the cost and the selling price.

In the case of the sale of assets acquired prior to March 1, 1913, state—

(1) Original cost of assets..... $.....

(2) Fair market price or value as of March 1, 1913.....

(3) Price at which assets were sold.....

State how fair market price or value as of March 1, 1913, was determined:

.....

.....

(b) From Rentals:

Rentals to be reported as income will include all payments received in cash or its equivalent as rent on buildings or other property owned by the corporation making the return, as well as all royalties received.

(c) From Interest:

Interest to be reported as income includes all interest received on bonds or securities owned by the corporation with the exception of interest on obligations of a State or political subdivision thereof or interest upon the obligations of the United States or its possessions, which latter interest for the purpose of information should be extended below:

U. S., State, and Other Obligations.

Name of obligation.	Amount of principal.	Rate.	Amount of interest received.
Real Estate & Rentals	$.....	.....	$ 74,063.95
Bond Interest	.....	.....	1,617.95
Notes Receivable & Bank Balance	.....	.....	27,808.03
Total	$.....	.....	$ 103,489.93

(d) From Dividends Received:

Any distribution made or ordered to be made by a corporation out of its earnings or profits accrued since March 1, 1913, whether in cash or stock of the paying company, must be returned by the receiving corporation as income of the year in which the distribution was made or ordered to be made. Stock dividends must be returned to the amount of their cash value and such cash value is held to be the proportionate share of the surplus accrued to the paying corporation since March 1, 1913, as is represented by the stock distributed or ordered to be distributed to the receiving corporation.

(e) From Other Sources:

All other sources from which income has been received, and the amount thereof, should be itemized below:

Dividend on Foreign Corporation Stock	$ 30,000.00
Export Rebates	1,800.77
Guatemala Concession	678.96
Profit on Claims	7,057.94
Light & Power	11,438.06
Notes Receivable dated 4/6/16	100,000.00
Int. & chgs. to subsidiary Companies	57,659.41
Total	$ 208,635.14

4. Expenses, General:

This item should include only the ordinary and necessary expenses paid within the year in the maintenance and operation of the business and properties of the corporation, itemized as per schedule below, and will not include any disbursements the deduction of which is specially provided for in the return form proper on the obverse side of this form.

Interest paid on indebtedness wholly secured by property collateral the subject of sale or hypothecation in the ordinary business of the corporation as a dealer only in the property constituting such collateral or in the loaning of funds thereby produced, is an allowable deduction as a business expense to an amount of the interest paid on such indebtedness not in excess of the actual value of the collateral securing it.

All expenses of material, labor, fuel, and other items entering into the cost of goods purchased, sold, or inventoried are deductible under this head as expense, provided such items have not been considered in determining the cost or purchases during the year when the income derived from operations is ascertained through an inventory as set out in Item 3 (a) of this statement.

Expenditures for incidental repairs which do not add to the value or appreciably prolong the life of property are deductible as expenses, but expenditures for new buildings, permanent improvements or betterments which increase the value of property, or for restoring or replacing property, are not deductible under this or any other item of the return. Such expenditures are properly chargeable to capital account, to be extinguished through annual depreciation allowances.

Payments made to officers or employees who are stockholders, which payments are made in the guise of salaries or compensation and the amount of which is based upon the stockholdings of such officers or employees, are not deductible as a business expense.

(a) 1. Labor, wages, commissions, etc		$ 429 245 78
2. Fuel, light, power, etc		9 541 31
3. Rentals (ordinary)		18 260 00
4. Repairs, ordinary and incidental		.....
3. Interest on indebtedness wholly secured by collateral the subject of sale, etc		.....
6. Salaries of officers		132 848 32
7. Other expenditures—Classify	Adv. Discounts Salesmen Postage Freight Expense, etc.	3 668 206 13
Total expenses		$4 258 101 54

4. (a) 8. Names of officers and employees to whom salaries of $3,000 or more were paid during the year and amount paid to each. (If the space below is not adequate, a list marked "Item 4 (a)" containing this information should be attached to this form.)

Name	Address	Amount
.....	.....	$.....
SEE FORM 1042 FILED.	.....	.....
.....	.....	.....
	Total	$.....

to make for the right to use and possess property in which it has no title, interest, or equity. See Note 6 (a).

5. (a) Losses:

Losses deducted under this item must be destinguished from depreciation or allowances for exhaustion, wear and tear. The losses must be absolute, complete, actually sustained during the year and charged off on the books of the corporation, and if the losses result from the sale of assets acquired prior to March 1, 1913, such losses shall be ascertained by taking the difference between the fair market price or value as of March 1, 1913, and the selling price.

Losses compensated by insurance or otherwise are not deductible.

Kind of asset.	Original amount.	Date charged off	Amount charged off
Accounts Receivable			$ 45 022 86
" "			22 500 00
Total			$ 67 522 86

When were the deducted losses ascertained to be such?.....

How were they so ascertained .....

In case of losses resulting from the sale of capital assets acquired prior to March 1, 1913, state—

(1) Original cost of assets..... $.....

(2) Fair market price or value as of March 1, 1913 .....

(3) Loss resulting from such sale.....

State also how the fair market price or value as of March 1, 1913, was ascertained:

.....

.....

.....

(b) Depreciation:

The amount deductible on account of depreciation is an amount charged off which fairly measures the loss during the year in the value of physical property by reason of exhaustion, wear and tear. Such amount should be determined upon the basis of the cost of the property and the probable number of years constituting its life. Stocks, bonds, and like securities, as well as any other intangible assets, are not subject to exhaustion, wear and tear within the meaning of the law. Hence any amount charged off as representing a shrinkage in the value of such assets is not deductible either as depreciation or loss.

Depreciation computed on total invoice value of merchandise in stock is not an allowable deduction, since any loss due to the shrinkage in the salable value of the merchandise will be reflected in the sales when the merchandise is disposed of.

Kind of property	Its cost	Probable life after acquirement	Amount of depreciation	
			This year	Previous years
Real Estate,			$ 40,820.91	.....
Chicago & Brooklyn Facty. Exp			61,529.56	.....
.....			.....	.....
Totals			$102,350.47	.....

If buildings, state kind of construction.

(c) Depletion:

Depletion applies to the exhaustion of natural deposits and contemplates a deduction to return to the corporation the capital invested, or in case of purchase prior to March 1, 1913, an amount sufficient to return to the corporation the fair market value of such deposits as of that date. An allowable deduction on account of depletion must not exceed the fair market value in the mine of the product thereof mined and sold during the year, and in case of oil or gas wells the amount deductible should be computed upon the basis of the decline in the settled flow. The amount sought to be deducted on this account must be charged off on the books of the company.

*Kind of property	Its cost if acquired subsequent to March 1, 1913	†Fair market value as of March 1, 1913	Amount of depletion	
			This year	All years to date
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

*Coal, iron ore, copper, oil or gas.

†State how fair market value of March 1, 1913, was determined.

.....

.....

6. (a) Interest Deductible:

The amount of interest deductible under this item is the amount actually paid within the year on an amount of bonded or other indebtedness not in excess of the paid-up capital stock outstanding at the close of the year, or if no capital stock, the entire amount of capital (not including interest-bearing indebtedness) employed in the business at the close of the year, plus, in each case, one-half of the interest-bearing indebtedness also then outstanding.

Capital employed in the business, as here used, contemplates the entire capital paid in by the members of the company, including so much of the accumulated surplus as is not in excess of the needs of the business, but does not include any borrowed capital or interest-bearing indebtedness.

Interest, so-called, or dividends paid upon preferred capital stock, is not deductible.

Interest deductible under this item includes all interest actually paid within the year not in excess of the limit hereinbefore indicated on any debt for which the corporation or any property in which it has title, interest, or equity is pledged, except interest on indebtedness wholly secured by collateral the subject of sale or hypothecation in the ordinary business of the company, etc., which interest is deductible under Item 4 (a) as a business expense.

Interest Payments Actually Made During Year.

All forms of indebtedness upon which interest was paid should be listed here.

Name or kind of obligation	Amount of principal	Rate of interest	Amount of interest paid
Bills payable	$.....	6	$ 5 400 00
.....	.....	.....	.....
Total	$.....		$ 5 400 00

(b) Interest Paid on Deposits:

Interest paid (by banks) on deposits or on money received for investment and secured by interest-bearing certificates of indebtedness issued by a bank, banking association, loan or trust company is deductible in the entire amount so paid.

7. (a) Taxes—Federal, State, etc..... $683,475.87

(b) Taxes—Foreign.....

Taxes deductible under these items are such taxes as are imposed by the United States, by any State or Territory, or by any political subdivision thereof, or by the Government of any foreign country, and are actually paid or accrued on the books of the corporation, not in excess of the amount due and payable within the year for which the return is made, except that taxes imposed under the laws of a foreign Government are not deductible from the income arising and accruing to a foreign corporation by reason of the business transacted or capital invested in this country, and except that taxes paid for local benefits or taxes paid by corporations pursuant to covenants guaranteeing their bonds to be tax-free, are not deductible.

Taxes paid by banks or other corporations on the value of their capital stock out-standing and in the hands of stockholders are not deductible. Such taxes are a primary liability of the stockholders, as such chargeable against their income.

State whether or not this return is made on the basis of actual receipts and dispursements.....

If not, describe fully what other basis or method was used in computing net income.

.....

.....

Where sufficient space is not provided for the entry of the information required in the "Supplementary Statement" lists containing full information in the form indicated should be marked in accordance with the particular item and attached to this form.

LARSON EXHIBIT No. 19.

Sheet 5.

Caution.

Read all instructions.
Answer all questions.
If necessary, ask your Collector of Internal Revenue for assistance.

Form 1103—United States Internal Revenue.
CORPORATION EXCESS PROFITS TAX RETURN
Taxable year ended December 31, 1917

Name Wm. Wrigley Jr. Company

Business address 5 N. Wabash Ave. Chicago Illinois.

(Do not write in this space.)
Received
.....

List.

Month.	Page.	Line.
.....	.....	.....

Audited by .....

Kind of business Manufacturing and Sale of Chewing Gum Date established December 1910.

GENERAL INSTRUCTIONS.

1. Complete Instructions.—For complete instructions concerning the filling of this form see Regulations No. 41 relative to the War Excess Profits Taxes imposed by the War Revenue Act approved October 3, 1917, referred to hereinafter as Excess Profits Tax Regulations. Copies can be obtained from any collector of internal revenue.

2. Who must make a return on Form 1103.—Every corporation having for the taxable year a net income of $3,000 or more (see Form 1031) must make a return on this form of its average invested capital during the taxable year and compute the amount of its excess profits tax, if any, as directed herein.

This return should be made at the same time and in the same manner as the return of net income for the taxable year on Form 1031.

A corporation which claims that it employs in its business only a nominal capital or that it can not satisfactorily determine the amount of its invested capital must, nevertheless, fill this form as far as practicable in order to show the facts necessary for action on its claim.

3. Taxable year.—The taxable year is the calendar year 1917 or (if the fiscal year of the corporation differs from the calendar year) the fiscal year ending in the calendar year 1917. A corporation whose fiscal year differs from the calendar year may also use this form for its return (without entries for prewar period) covering the fiscal year ending in 1918.

4. Taxable income.—All the income of a corporation from whatever source derived is deemed to be derived from its business and all such income subject to the income tax is also subject to the excess profits tax except as provided for in Schedule I.

5. Deduction.—Each corporation whose income (derived from a business carried on with invested capital) is subject to excess profits tax may deduct from the amount of its taxable income (1) an amount equal to not less than 7 per cent and not more than 9 per cent of the amount of its invested capital, as explained below, and (2) $3,000.

If the corporation was not in existence during the whole of at least one of the calendar years 1911, 1912, and 1913, designated by the act of October 3, 1917, as the prewar period, and has not succeeded to the control of a business which was carried on during any one or more of those years, the first deduction is an amount equal to 8 per cent of the amount of invested capital. Otherwise the deduction is an amount equal to the same percentage of the invested capital for the taxable year as the average net income during the prewar period was of the average invested capital during that period, provided that if such percentage is less than 7 per cent, the deduction shall be computed at the rate of 7 per cent and if more than 9, at the rate of 9 per cent (see Excess Profits Tax Regulations, Article 21).

In order to take advantage of this provision, the corporation must make a return of invested capital during the prewar period as well as during the taxable year. Space for such a return is provided on this form.

If the corporation prefers, it may compute the deduction at the rate of 7 per cent and avoid the necessity of rendering a return of invested capital for the prewar period. In any case the average amount of invested capital during the taxable year must be determined if possible.

6. Invested capital.—For definition of "invested capital" and complete instructions for computing its amount see Excess Profits Tax Regulations, Articles 42 to 65.

7. Computation of tax for fiscal year, part of which falls in the calendar year 1917.—The tax of a corporation whose fiscal year differs from the calendar year shall be that proportion of the tax computed on the net income for the fiscal year which the number of months from January 1, 1917, to the end of the fiscal year bears to the entire number of months in the fiscal year.

8. Corporations making claim for assessment under Article 52 of the Regulations (section 210 of the act of October 3, 1917) should answer all questions and fill all schedules so far as possible and attach a statement explaining why it is impracticable or, in case of foreign corporations, unreasonably expensive to fill out the entire return.

SCHEDULE I.—NET INCOME FOR TAXABLE YEAR SUBJECT TO EXCESS PROFITS TAX.

1.	Net income for taxable year shown in Item 8, Form 1031		$4 171 336 91
2.	Plus interest on obligations of the United States issued since September 24, 1917, held by corporation in excess of $5,000 par value		None
3.	Total		4 171 336 91
4.	Less (a) Dividends received as shown in Item 3d, Form 1031	$ None	
5.	(b) Interest paid (not in excess of legal limit) on indebtedness incurred for purchase of obligations reported in item 2, above	None	.....
6.	Net Income Subject to Excess Profits Tax		$4 171 336 91

SCHEDULE II.—INVESTED CAPITAL.

Item.	1911	1912	1913	Taxable Year.
1. Capital, surplus, and undivided profits at the close of the preceding year as shown by corporation's books before making any adjustments therein (from Schedule A)	$10 197 574 87	$11 741 728 96	$12 869 942 73	$15 082 375 73
2. Adjustments by way of additions (from Schedule B)	.....	.....	.....	.....
3. Total	$.....	$.....	$.....	$15 082 375 73
4. Adjustments by way of deductions (from Schedule C)	.....	.....	.....	3 233 524 85
5. Invested capital at beginning of year (Item 3 less Item 4)	$.....	$.....	$.....	$11 848 850 88
6. Changes in invested capital during year (from Schedules D and E)	.....	.....	.....	858 541 10
7. Invested capital for year	$10 197 574 87	$11 741 728 96	$12 869 942 73	$10 990 309 78
8. Total Invested Capital for Prewar Period				$34 809 246 56

SCHEDULE III.—DEDUCTION.

1.	Percentage—net income to invested capital for prewar period. (Item 6, Schedule F, divided by Item 8, Schedule II. Carry out result as far as desired, but drop the remainder, if any, without increasing the last figure of the percentage	17%
2.	Percentage to be used in computing deduction (see Instruction 5)	9%
3.	Amount of deduction computed at above rate on invested capital for taxable year	$ 989 127 88
4.	Exemption (except for foreign corporations)	3 000 00
	Total Deduction	$ 992 127 88

SCHEDULE IV.—COMPUTATION OF TAX.

Classes of Income for Computation of Tax.		Amount of income in each class.	Deduction (if in excess of 15 per cent of invested capital, enter only 15 per cent on first line and balance on line or lines below).	Balance subject to tax.	Rate.	Amount of Tax.
Over—	But not over—					
1	2	3	4	5	6	7
$0.00	15% of invested capital	$ 1 648 546 46	$ 992 127 88	$ 656 418 58	20%	$ 131 283 71
15% of invested capital	20% of invested capital	2 198 061 95	1 648 546 46	549 515 49	25%	137 378 87
20% of invested capital	25% of invested capital	2 747 577 44	2 198 061 95	549 515 49	35%	192 330 42
25% of invested capital	33% of invested capital	3 626 802 22	2 747 577 44	879 224 78	45%	395 651 15
33% of invested capital	.....	4 171 336 91	3 626 802 22	544 534 69	60%	326 720 81
Total		$14 392 324 98	$11 213 115 95	$3 179 209 03	x x	$1 183 364 96

c 2—4270

SCHEDULE A.—CAPITAL, SURPLUS, AND UNDIVIDED PROFITS AS SHOWN BY BOOKS BEFORE MAKING ANY ADJUSTMENTS THEREIN.

A4. Stock actually outstanding (not in the corporation treasury) at the end of the preceding taxable year may be counted as invested capital to the extent that it is paid up.

A6. Reserves consisting of amounts not deductible in the computation of net income under the income tax law, may, if properly explained, be included as part of the surplus for the purpose of computing the invested capital.

Item.	1911	1912	1913	Taxable Year
Capital stock paid up and actually outstanding at the close of the preceding year (not including treasury stock):				
1. First preferred	$ 1 500 000 00	$ 1 500 000 00	$ 1 500 000 00	$ 1 500 000 00
2. Second preferred				
3. Common	7 500 000 00	7 500 000 00	7 500 000 00	10 000 000 00
Total	$ 9 000 000 00	$ 9 000 000 00	$ 9 000 000 00	$11 500 000 00
Surplus and undivided profits:				
5. Paid-in surplus	$	$	$	$
6. Earned surplus	1 197 574 87	2 741 728 96	3 869 942 73	3 582 375 73
7. Undivided profits				
8. Grand Total of Items 4, 5, 6, and 7	$10 197 574 87	$11 741 728 96	$12 869 942 73	$15 082 375 73

SCHEDULE B.—ADJUSTMENTS BY WAY OF ADDITIONS.

B1. If any part of the interest on the corporation's permanent indebtedness was excluded as a deduction from the corporation's income for any year (see Form 1031), a proportionate part of such indebtedness may be added to invested capital for that year as Item 1, Schedule B.

B2. If any addition to invested capital is reported in Item 2, Schedule B, submit a full statement showing the kind of property, the date when paid in, its value on that date, and how the value was determined.

B3. If an addition to invested capital is reported in Item 3, Schedule B, submit a statement showing the kind of property, its cost, and the year in which it was acquired.

B4. If any addition to invested capital is reported in Item 4, Schedule B, state specifically the amount of depreciation or depletion written off each year in the books of the company and the amount allowed as a deduction in computing taxable income.

Item.	1911	1912	1913	Taxable Year
1. Proportion of permanent indebtedness, the interest on which is not deductible from income in computing income tax (Article 44)	$10 197 574 87	$11 741 728 96	$12 869 942 73	$15 082 375 73
2. Value of tangible property in excess of par value of stock issued therefor (Article 63)				
3. Additions to capital account allowable under Article 64				
4. Depreciation charged in accounts of corporation but disallowed by Treasury Department as expense on income tax returns				
5.				
6.				
7. Total	$10 197 574 87	$11 741 728 96	$12 869 942 73	$15 082 375 73

SCHEDULE C.—ADJUSTMENTS BY WAY OF DEDUCTIONS.

C1. Is any good will, trade-mark, brand, franchise, or similar intangible property, paid in for stock, entered on the books of the corporation at a value in excess of its actual cash value when paid in? Yes In excess of the par value of the stock issued therefor? No In excess (in the aggregate) of 20 per cent of the par value of the stock outstanding on March 3, 1917?.....

If so, submit a statement showing (a) date of acquisition; (b) cash value at that date; (c) par value of stock issued therefor; (d) par value of stock outstanding on March 3, 1917; and (e) value at which the assets are entered on the books of the corporation.

The amount by which "e" exceeds "b," "c," or 20 per cent of "d," whichever is lowest, must be entered as Item 1, Schedule C, for the taxable year and for each year of the prewar period that is affected.

C2. Is any patent or copyright, paid in for stock, entered on the books of the corporation at a value in excess of its actual cash value when paid in?..... In excess of the par value of the stock issued therefor? No

If so, submit a statement showing (a) date of acquisition; (b) cash value of the patent or copyright at that date; (c) par value of the stock issued therefor; and (d) value at which the patent or copyright is entered on the books of the corporation.

The amount by which "d" exceeds "b" or "c," whichever is the lower, must be entered as Item 2, Schedule C, for the taxable year and for each year of the prewar period that is affected.

C3. Is any tangible property, paid in for stock, entered on the books of the corporation at a value in excess of its actual cash value when received? No In excess of the par value of the stock paid therefor? No

Is any tangible property paid for specifically with stock before January 1, 1914, entered on the books of the corporation at a value in excess of its actual cash value on that date? No

If the answer to any of the foregoing questions is "yes," submit a statement showing (a) kind of property; (b) when acquired; (c) par value of the stock paid therefor; (d) actual cash value of the property when paid in; (e) actual cash value of the property on January 1, 1914, if paid in before that date; (f) basis of the valuation stated under "e"; (g) value at which the property is entered on the corporation's books; and (h) amount by which such value exceeds the allowable value under Article 55 of the Excess Profits Tax Regulations. Enter this amount as Item 3, Schedule C, for the taxable year and for each year of the prewar period that is affected. (Note that the value January 1, 1914, does not affect the prewar period.)

C4. (a) Was any stock issued by the corporation ever returned as a gift or for a consideration substantially less than its par value? No (b) If so, what was the par value of such stock? None (c) What amount of cash or its equivalent was derived from the resale of such stock? $ None

The excess of "b" over "c" must be entered as Item 4, Schedule C, for the taxable year and for each year of the prewar period that is affected.

C5. Was the business reorganized or consolidated, or was its ownership changed after March 3, 1917? No If so, answer the following questions:

(a) Did an interest in the business of 50 per cent or more remain in the control of the same persons, corporations, associations, or partnerships, or of any of them?.....

(b) Were any of the assets entered on the books of the corporation making this return at a higher value than on the books of its predecessor?.....

(c) If so, were such assets paid for specifically as such in cash or tangible property?.....

The increase in book value of any property not so paid for must be deducted from the invested capital for the taxable year as Item 5, Schedule C, unless it can be shown that under the excess profits law and regulations the property was undervalued on the books of the predecessor business.

C6. Is any property paid for with cash or with other tangible property entered on the books of the corporation at a value in excess of the amount of cash paid therefor or the actual cash value of the tangible property paid therefor?..... If so, submit a statement showing (a) kind of property; (b) amount of cash paid therefor; (c) actual cash value of other tangible property paid therefor; (d) how that value was determined; (e) value at which the property is entered on the books of the corporation; and (f) excess of "e" over "b" or "c." This excess must be entered as Item 6, Schedule C, for the taxable year and for each year of the prewar period that is affected.

C7. Has adequate provision been made in the expense accounts of the company for (a) losses of every kind?.....; (b) depreciation?.....; (c) obsolescence?.....; (d) depletion of mineral deposits, timber supplies and the like?.....

If adequate charge has not been made for depreciation, depletion, obsolescence, and other losses, and the value of the property has not been maintained by replacements that have been charged to expense, proper additional charges for depreciation must be computed for all years in which they were not made on the books, and the total amount of such charges must be entered as Item 7, Schedule C, for the taxable year (and for each of the prewar period that was affected) and deducted in arriving at its surplus and undivided profits.

C8. Has the corporation any stocks, bonds (other than obligations of the United States), or other assets, the income from which is not subject to excess profits tax?..... If so, at what value are they carried on the corporation's books? $..... Has any portion of such assets been included in invested capital in accordance with Articles 45 and 46 of the Excess Profits Tax Regulations?..... If so, how much? $..... Is the balance in excess of the corporation's indebtedness, excluding the amount thereof that has been included in invested capital as Item 1, Schedule B?..... If so, state the amount of such excess. $.....

Enter this amount as Item 8 in Schedule C for the taxable year, and make a similar correction for each year of the prewar period.

SCHEDULE C.—ADJUSTMENTS BY WAY OF DEDUCTIONS (Concluded).

ADJUSTMENT ON ACCOUNT OF— (See corresponding instructions on page 2.)	1911	1912	1913	Taxable Year
1. Valuation of good will, trade-marks, trade brands, franchises, or other intangible property purchased with stock (Articles 57 and 58)	$ Deduction	on good will	account....	$3 233 524 85
2. Valuation of patents and copyrights paid ib for stock (Article 56)				
3. Valuation of tangible property paid in for stock (Article 55)				
4. Stock returned to corporation as a gift, etc. (Article 54)				
5. Valuation of assets acquired in reorganizations (Article 50)				
6. Appreciation (Article 42)				
7. Depreciation and depletion (Article 42)				
8. Excess of stocks and other inadmissible assets over indebtedness (Article 44)				
9.				
10.				
11. Total Deductions	$	$	$	$

SCHEDULE D.—CHANGES IN INVESTED CAPITAL DURING TAXABLE YEAR.

Specify (by using red ink for distributions, or otherwise) whether each item represents an addition or a distribution.

Report dividends paid out of profits of prior years but not dividends paid out of profits of the taxable year.

In column 4 enter the number of whole months remaining in the year, plus a fraction consisting of the number of days remaining in the month (including the date of change) divided by the total number of days in the month.

Assets (other than cash) paid in for stock, must be valued in accordance with Articles 55 to 60 of the Excess Profits Tax Regulations.

—Schedule D.—Statement of Invested Capital during Year 1917.

	1/ 1/17	Capital Stock	11,500,000.00	
	1/ 1/17	Surplus	3,582,375.73	
	1/ 1/17	Total Invested Capital	15,082,375.73 x 1	15,082,375.73
	1/ 2/17	Dividend Paid	135,000.00	
	1/31/17	Total Invested Capital	14,947,375.73 x 30	448,421,271.90
	2/ 1/17	Dividend Paid	125,000.00	
	2/28/17	Total Invested Capital	14,822,375.73 x 28	415,026,520.44
	3/ 1/17	Dividend Paid	125,000.00	
x	4/ 1/17	Total Invested Capital	14,697,375.72 x 32	470,316,023.36
	4/ 2/17	Dividend Paid	147,500.00	
	4/30/17	Total Invested Capital	14,549,875.73 x 29	421,946,396.17
	5 1 17	Dividend Paid	125,000.00	
	5/31/17	Total Invested Capital	14,424,875.73 x 31	447,171,147.63
	6/ 1/17	Dividend Paid	125,000.00	
	7/ 1/17	Total Invested Capital	14,299,875.73 x 31	443,296,147.63
	7/ 2/17	Dividend Paid	147,500.00	
	7/31/17	Total Invested Capital	14,152,375.73 x 30	424,571,271.90
	8/ 1/17	Dividend Paid	125,000.00	
	8/31/17	Total Invested Capital	14,027,375.73 x 31	434,848,647.63
	9/ 1/17	Dividend Paid	125,000.00	
	9/30/17	Total Invested Capital	13,902,375.73 x 30	417,071,271.90
	10/ 1/17	Dividend Paid	147,500.00	
	10/31/17	Total Invested Capital	13,754,875.73 x 31	426,401,147.63
	11/ 1/17	Dividend Paid	125,000.00	
	11/30/17	Total Invested Capital	13,629,875.73 x 30	408,896,271.90
	12/ 1/17	Dividend Paid	125,000.00	
	12/31/17	Total Invested Capital	13,504,875.73 x 31	418,651,147.63
				5,191,699,641.45

Average Invested Capital for year 1917 5,191,699,641.45 divided by 365 days equals 14,223,834.63

Average Invested Capital for year 1917	14,223,834.63
Amount of Invested Capital January, 1917	15,082,375.73
Average Invested Capital for year 1917	14,223,834.73
Amount of deduction from Grand Total of Capital for taxable year	858,541.10

SCHEDULE E.—CHANGES IN INVESTED CAPITAL DURING PREWAR PERIOD.

See instructions under Schedule D. Compute net addition or reduction separately for each year.

—Schedule E.—

Details concerning dividend distributions for Prewar Period not given as profit for Prewar Period was considerable in excess of the amount required on Gross Capital employed for that period.

SCHEDULE F.—NET INCOME DURING PREWAR PERIOD.

Item.	1911	1912	1913
1. Net income for year as reported on income tax return. (Do not include figures for less than a whole year's income)	$1 425 074 47	$1 979 154 49	$2 343 213 77
2. Plus amount of Federal income tax paid during year		14 250 74	19 791 54
3. Total for each year	1 425 074 47	1 993 405 23	2 363 005 31
4. Less amount of dividends received in 1913			None
5. Net Total for year 1913			2 363 005 31
6. Grand Total for Prewar Period			5 781 485 01

c 2—4270

QUESTIONS.

1. Explain the nature of the corporation's business if not adequately described on first page:
   (a) Main business Manufacturing Chewing Gum
   (b) Collateral businesses, if any V
2. Date of incorporation December 1 1910 3. Under the laws of what State or country? West Virginia
4. Enter on the following lines the names and addresses of three representative concerns in your locality engaged in the same kind of business..
   American Chicle Company Chicago Ill. and New York N. Y.
   Beech-Nut Packing Company Canajoharie New York
5. What was the fair value of the total capital stock of the corporation as determined in the last assessment of the capital stock tax (if any)? Specify the year 1917—208.00 per share—23.920.000.00
6. If any patent is included among your assets, attach a schedule to this return showing for each patent its serial number, date of issue, name of patentee, amount of cash or stock paid therefor, and its present book value See Schedule
7. If the corporation ever took over a going business or otherwise acquired a mixed aggregate of tangible property, patents, and copyrights, and good will and other similar intangible property, and paid for such property in whole or in part with stock or other securities submit a statement showing—
   (a) The name of the concern taken over (or from which the property was acquired). Wm. Wrigley Jr. & Co. and Zeno Mfg. Co.
   (b) The nature of the assets and liabilities so acquired. Cash Merchandise Machinery & Fixtures Accounts Receivable Real Estate Trade-Marks Good Will Concessions and Patents.
   (c) The total par value of the stock issued therefor. 9.000.000.00
   (d) The value at which each class of assets was carried on the books of the concern from which acquired. (If obtainable submit a balance sheet of the predecessor corporation as at the date of acquisition.) Not Obtainable
   (e) The value at which each item was entered on the books of the corporation making this return. The different classes of property must be valued as prescribed by Article 59 of the Excess Profits Tax Regulations and the values so obtained must be used in making adjustments 1, 2, and 3, Schedule C.
   If patents or copyrights were acquired, state the basis on which their value was determined, and how they were paid for.
   If good will or other intangible assets were acquired, state the basis on which their value was determined, and how they were paid for.
8. Is the corporation affiliated with one or more other corporations within the meaning of Article 77 of the Excess Profits Tax Regulations? No If so, submit a statement describing all its intercorporate relationships.
9. Is this return a consolidated return within the meaning of Article 78 of the Excess Profits Tax Regulations? No If so, submit a schedule showing in detail the computation of the consolidated invested capital and income. V
10. If the corporation was not in existence during the whole of any one of the calendar years 1911-1913, is its business substantially a continuation of a business carried on during any one or more of those years V If so, give name under which, and address at which, its business was then carried on V
11. Submit a copy, in detail, of—
   (a) The balance sheet of the corporation at the beginning of the taxable year.
   (b) The balance sheet of the corporation at the close of the taxable year.

We, the undersigned, president and treasurer of the above-named company, being severally duly sworn, each for himself deposes and says that the foregoing return, including the accompanying schedules and statements (if any), has been examined by him and is to the best of his knowledge and belief a true and complete return made in good faith pursuant to the Excess Profits Tax Regulations.

Sworn to and subscribed before me this 30th day of March, 1918

George J Neumann
Notary Public
(Official capacity.)

Seal of officer taking affidavit.

E. W. Eckerly,
Vice President.
J C Cox
Treasurer.

c 2—4270

Larson Exhibit No. 19.

4109

LARSON EXHIBIT No. 19

Sheet 6.

CAUTION

Read this form and all instructions carefully and fill in supplementary statement on back of return first.

Totals in supplementary statement must agree with totals on face of return.

Form 1031 (Revised January, 1918).—UNITED STATES INTERNAL REVENUE

CORPORATION INCOME TAX RETURN

(For all Corporations except Railroad and Insurance Companies)

Return of annual net income for the { calendar year 1917. / fiscal year ended Dec. 31, 1917 .

(Do not write in this space.)
RECEIVED .....

LIST

Month	Page.	Line.

Audited by .....

Name of corporation Wm. Wrigley Jr. Company.
Principal office #5 N. Wabash Avenue, Chicago, Illinois.
Kind of business carried on Manufacturing and sale of Chewing Gum

Date of organization December 1, 1910.

1. Total amount of paid-up capital stock outstanding at the close of the year, or if there is no capital stock the capital other than interest-bearing indebtedness employed in the business at the close of the year. Unissued or treasury stock must not be included in this item, but only stock actually issued and outstanding at the close of the year for which this return is made.

(a) Paid-up "common stock"	$10 000 000 00
(b) Paid-up "preferred stock"	1 500 000 00
Total paid-up stock	$11 500 000 00
or (c) Capital employed in business	$18 179 410 99

2. Total amount of bonded or other interest-bearing indebtedness outstanding at the close of the year, exclusive of indebtedness wholly secured by collateral the subject of sale or hypothecation in the ordinary business of the company and exclusive also of indebtedness incurred in the purchase of securities, the income from which is not subject to income tax.

Character of obligation.	Rate of interest.	Principal.
NONE		$
Total indebtedness		$

INCOME.		DEDUCTIONS. (See corresponding items on back of return.)	
3. (a) Gross sales and other income from operations	$15 713 657 84	4. (a) Cost of goods and other property sold	$ 7 081 286 25
(b) Income from rentals, royalties, etc.	114 807 00	(b) Expenses, general	4 589 805 15
(c) Income from interest (see item 3c on back of return)	11 998 24	5. (a) Losses sustained charged off	14 672 19
(d) Income from dividends (see item 3d on back of return		(b) Depreciation charged off	105 240 89
(e) Income from all other sources (see item 3e on back)	145 263 49	(c) Depletion charged off	
Total gross sales and other income	15 985 726 57	6. (a) Interest paid (except as entered under 6b and c)	
Less total deductions	11 814 389 66	(b) Interest paid on deposits (for banks only)	
8. Total net income	4 171 336 91	(c) Interest paid on indebtedness wholly secured by collateral	
Less: (a) Excess profits tax (item 12) $1,183,364.96 (b) Dividends received out of earnings of 1913, 1914, 1915 $		7. (a) Domestic taxes paid, not including income and excess profits taxes	23 385 18
Total (a plus b)	1 183 364 96	(b) Foreign taxes paid	
9. (a) Amount taxable at 2% (item 8 less total of a plus b)	2 987 971 95	Total deductions	11 814 389 66
(b) Amount taxable at 1% (item 8b)			
10. Amount of total net income shown in item 8	4 171 336 91		
Less: (a) Excess profits tax (item 12) $1,183,364.96 (b) Dividends received (item 3d) $			
Total (a plus b)	1 183 364 96	TAX	
11. Amount taxable at 4% (item 10 less total of a plus b). If return is made for a full fiscal year ended in 1917, compute tax on as many twelfths of item 11 as there are months from January 1, 1917, to the close of the fiscal year. Enter amount taxable here	2 987 971 95	12. Amount of excess profits tax (see instructions below)	1 183 364 96
		13. Amount of 2% tax (2% of item 9a)	59 759 43
		14. Amount of 1% tax (1% of item 9b)	
		15. Amount of 4% tax (4% of item 11)	119 518 87
		16. Total tax assessable	1 362 643 26

We the undersigned, president and treasurer of the above-named company, whose return of net income is herein set forth, being severally duly sworn, each for himself, deposes and says that the items entered in the foregoing report and in the supplementary statement and in any additional list or lists attached to or accompanying this return are, to his best knowledge and belief, true and correct in each and every particular.

Sworn to and subscribed before me { this 28th day of March, 1918

Seal of officer taking affidavit.

GEORGE J. NEWMANN
Notary Public
(Official capacity.)

E. W. ECKERLY, Vice-President.

J. C. COX, Treasurer.

GENERAL INSTRUCTIONS.

Excess profits tax.—For the purpose of war excess profits tax, every corporation subject to income tax shall be deemed to be engaged in business, and all the trades and businesses in which it is engaged (whether continuously carried on or not) shall be treated as a single trade or business, and all its income from whatever source derived shall be deemed to be received from such trade or business.

In the case of a trade or business having no invested capital or not more than a nominal capital, the excess profits tax is equivalent to 8 per cent of the net income in excess of $3,000. This tax applies primarily to corporations engaged principally in rendering personal service in which the employment of capital is not necessary and the earnings of which are to be ascribed primarily to the activities of the owners.

In the case of a trade or business having more than a nominal invested capital, the excess profits tax is equal to various percentages of the net income, depending on its ratio to the invested capital. Every corporation having a net income over $3,000 for the taxable year must make a return of invested capital and compute the amount of tax on Form 1103.

For further instructions see Regulations No. 41, Relative to the War Excess Profits Tax. A copy can be obtained from any collector of internal revenue.

Time of filing returns.—Returns made on the basis of a calendar year must be filed on or before March 1 with the collector of internal revenue of the district in which is located the principal place of business of the corporation; if made on the basis of a FISCAL YEAR*, they must be filed within 60 days after the close of such year.

*Fiscal year.—Corporations desiring to make returns of annual net income on the basis of a fiscal year other than the calendar year, must, not less than 30 days prior to March 1 of the year in which the return would be due if made on the calendar year basis, file with the collector a notice in writing designating the last day of some month as the close of such fiscal year. A return for that portion of the calendar year ending with the date designated as the close of the fiscal year must be filed on or before the first day of March of the next calendar year, and the return for each full fiscal year thereafter must be filed within 60 days after the closing date of the fiscal year so established.

Extension of time.—In the case of neglect to file the return within the prescribed time, the collector is authorized to grant an extension of the filing period not exceeding 30 days from the normal due date, provided such neglect was due to absence or sickness and provided an application for such extension is made in writing prior to the expiration of the period for which extension may be granted. In meritorious cases the Commissioner is authorized to grant such further extension as he may deem proper.

Signatures and verification.—Returns must be signed and verified by two officers of the corporation, that is, by the president, vice president, or other principal officer, and the treasurer or other financial officer, and must be sworn to before an officer authorized to administer oaths, and the seal of the attesting officer, if he is required to have a seal, must be impressed on the return in the space provided for that purpose.

Subsidiary companies.—The corporation making this return must attach hereto a list of all its subsidiary companies, if any, with the location of the principal place of business of each. Each subsidiary company must make a separate and distinct return.

Foreign corporations.—Foreign corporations subject to the law are required to make returns to the collector of the district in which is located the principal place of business or agency through which is transacted the business in the United States, or if the corporation has no place of business or agency in the United States, its return will be filed with the collector of internal revenue at Baltimore, Maryland. The gross income to be returned is that received from business transacted and capital invested in the United States, including interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, and including income derived from dividends on capital stock or from net earnings of resident corporations, joint-stock companies, or associations whose net income is taxable under this law. The deductions allowable are those losses and disbursements incident and necessary to the transaction of the business in this country, all as specifically set out in the Act. Foreign taxes are not deductible from the gross income arising and accruing to a foreign corporation from business done or capital invested in the United States. If a foreign corporation has no place of business or agency in the United States and no return is made, the tax on income from interest and dividends will be withheld at the source.

Penalties.—Corporations refusing or neglecting to file returns within the time prescribed by law or rendering false or fraudulent returns shall be liable to a penalty of not exceeding $10,000, and an additional tax of 50 per cent in case of neglect to file the return within the time prescribed by law, and 100 per cent in the case of a false or fraudulent return, shall be added to the assessment; provided, in case of delinquency, if the return is voluntarily filed without notice from the collector, and it is shown that delay in filing was due to reasonable cause and not to willful neglect, the 50 per cent additional tax will not be assessed. A statement of the cause of delay must be attached to each delayed return.

Any officer or any corporation required by law to make, render, sign, or verify any return who makes any false or fraudulent return or statement with intent to defeat or evade the assessment required to be made shall be guilty of a misdemeanor, and shall be fined not exceeding $2,000 or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

SUPPLEMENTARY STATEMENT

The following information must be furnished, either on this sheet or on attached schedules, by every corporation, joint-stock company, or association. Without such information the return will not be accepted as complete. The items below relate to the correspondingly numbered items on the first page.

3. (c) From Interest.
Interest to be reported as income for the purpose of the income tax includes all interest received on bonds or securities owned by the corporation except interest on obligations of a State or political subdivision thereof or interest upon the obligations of the United States or its possessions.

3. (d) From Dividends Received.
Any distribution made or ordered to be made by a corporation out of its earnings or profits accrued since March 1, 1913, whether in cash or stock of the paying company, must be returned (under Item 3 (d) on front page of this form) by the receiving corporation as income of the year in which the distribution was made or ordered to be made and will be taxed at the rates prescribed by law for the years in which surplus or profits distributed were earned, viz. 1% on amounts received out of earnings of 1913 (subsequent to March 1, 1913), 1914, and 1915, and 2% on amounts received from earnings of 1916 and 1917. A statement from the corporation paying the dividends included herein should be attached to this return, showing separately the amount of dividends paid out of earnings of each year; otherwise, they will be deemed to have been paid out of the earnings of 1917 and will be taxed 2%. The receiving corporation, in order that tax may be computed on dividends received in 1917 at the rates applicable to the years in which the profits were earned, must fill in the following form:

Dividends received in 1917 out of profits earned each year subsequent to March 1, 1913.

1913	1914	1915	1916	1917	Total
$.....	$.....	$.....	$.....	$.....	$.....

3. (e) From Other Sources.
Income received from all sources not elsewhere specified should be itemized below:

Interest on Notes & Bank Deposits	$ 36 913 75
Export Material Profit	15 814 83
Discount Rec'd & Accts. Closed out	41 657 58
Export Rebates & Profit on Claims	20 877 33
Total	$ 115,263 49

4. (a) Cost of Goods and Other Property Sold.
Report the cost of goods in the following form:

Merchandise bought for sale	$6,202 774 93
Cost of manufacturing or otherwise producing goods (if separately shown on books). (Submit schedule showing principal items of cost)	572 931 22
Plus inventories at beginning of year	2,907 828 76
Total	$9,683 534 91
Less inventories at end of year	2 602 248 66
Net cost of goods sold	$7,081 286 25

Explanations.....

.....

If the corporation makes inventories of merchandise or materials, explain the basis on which they are made, whether (a) at cost, or (b) at cost or market value, whichever is lower. If no inventories are made, make no entries referring to inventories, but report the total cost of goods purchased or produced during the year. If the cost of manufacturing or otherwise producing goods is not kept separate from general expenses in the corporation's accounts, include such cost in "Expenses, general," below.

Corporations dealing in real estate, and any corporation that has sold any of its capital assets during the taxable year, should report the cost of the property sold in the following form:

1. Original cost of property	$.....
2. Market value March 1, 1913, if acquired before that date	.....
3. Cost of subsequent improvements, if any	.....
4. Depreciation and depletion to date of sale	.....
5. Net cost (item 1 or item 2 plus item 3 minus item 4)	.....

State how market value March 1, 1913, was determined.....

.....

Does such value include any good will? If so, how much? $.....

4. (b) Expenses, General.
This item should include only the ordinary and necessary expenses paid within the year in the operation of the business and maintenance of the properties of the corporation, itemized as per schedule below. It must not include any expenditures reported under 4 (a), 5, 6, or 7.

Expenditures for incidental repairs which do not add to the value or appreciably prolong the life of property are deductible as expenses, but expenditures for new buildings, permanent improvements or betterments which increase the value of property, or for restoring or replacing property, are not deductible under this or any other item of the return. Such expenditures are properly chargeable to capital account, to be extinguished through annual depreciation charges.

Payments made to the officers or employees, who are stockholders, in the guise of salaries or compensation, the amount of which is based upon the stockholdings of such officers or employees, are not deductible as a business expense.

1. Salaries of Officers		$ 113 816 00
2. Labor, wages, commissions, etc. (not included in "Cost of manufacturing or otherwise producing goods" under 4 (a))		.....
3. Rents, royalties, and other payments in lieu of rent		18 960 00
4. Repairs, ordinary and incidental & maintenance Bldgs.		132 144 93
5. Other expenditures (classify)	Commissions	132 324 65
	Advertising	1 265 213 06
	Discounts allowed	340 914 12
	Coupon Redemptions	1 052 061 03
	Miscellaneous Exp	1 534 371 36
Total expenses		$4 589 805 15

If salaries were increased or extra compensation was paid to officers, state the amount, the reason therefor, and the basis on which computed.....

.....

5. (a) Losses.
Losses deductible under this item must be distinguished from depreciation or allowances for exhaustion, wear, and tear. The losses, not compensated by insurance or otherwise, must be absolute, complete, actually sustained during the year, and charged off on the books of the corporation.

Kind of property on which loss is claimed.	Cost of property.	Cause of loss	Amount charged off within year.
Accounts	$ Uncolle	ctable	$ 14 672 19
.....	.....	.....	.....
.....	.....	.....	.....
Total			$ 14 672 19

When were the deducted losses ascertained to be such?.....
How were they so ascertained?.....
The cost of property lost should be determined as indicated in item 4 (a).

A bad debt offsetting income accrued since January 1, 1909, will not be allowed as a deduction unless the amount was reported as income for the year in which the debt was created.

State how the debts charged off (if any) were ascertained to be worthless.....

.....

If at any future time a debt charged off as worthless is collected the amount collected must be returned as income for the year in which received.

Unpaid debts are not deductible if made good by recovery of property sold or retention of property pledged.

5. (b) Depreciation.
The amount deductible on account of depreciation is an amount charged off which fairly measures the loss during the year in the value of physical property by reason of exhaustion, wear, and tear. Such amounts should be determined upon the basis of the cost of the property and the probable number of years constituting its life. Stocks, bonds, and like securities, as well as any other intangible assets, are not subject to exhaustion, wear, and tear within the meaning of the law. Hence any amount charged off as representing a shrinkage in the value of such assets is not deductible either as depreciation or as a loss.

Depreciation computed on total invoice of merchandise in stock is not an allowable deduction unless by reason of damage or obsolescence the merchandise is unsalable.

If a deduction is made on account of depreciation, the following statement must be filled in:

Kind of property	Its Cost.	Probable life after acquirement.	Amount of depreciation charged off. This year.	Amount of depreciation charged off. Previous years.
		$		
Briel Bldg.	$		$ 37,483 14	$ 127,801.25
Machy. & Power	Plant,	Chgo.	53,952.78	133,806.26
Machinery, Broo	klyn		13,794.97	30,038.08
Totals	$		$ 105,240.89	$ 291,645.59

If building, state under "Kind of property" the material of which constructed.

5. (c) Depletion.
Depletion applies to the exhaustion of natural deposits, and contemplates a deduction to return to the corporation the capital invested, or in case of purchase prior to March 1, 1913, an amount sufficient to return to the corporation the fair market price or value of such deposits as of that date. An allowable deduction on account of depletion must not exceed the fair market value as of March 1, 1913, or the cost subsequent to that date, of the product mined and sold during the year, and will be determined in accordance with the rule set out in Articles 170 and 173, Regulations 33, Revised. The amount sought to be deducted on this account must be charged off on the books of the company.

*Kind of property.	Its cost if acquired subsequent to March 1, 1913.	†Fair market value as of March 1, 1913.	Amount of depletion charged off. This Year.	Amount of depletion charged off. Previous years.
.....	$.....	$.....	$.....	$.....
.....	.....	.....	.....	.....
NONE	.....	.....	.....	.....
.....	.....	.....	.....	.....

*Coal, iron ore, copper, oil, or gas.
†State how fair market value as of March 1, 1913, was determined.....

.....

6. Interest Paid.
(a) The amount of interest deductible under (a) is the amount actually paid within the year on an amount of bonded or other indebtedness (except on indebtedness falling under 6 (b) or 6 (c) and indebtedness incurred for the purchase of obligations or securities the income from which is exempt from income tax) not in excess of the paid-up capital stock outstanding at the close of the year, or if there is no capital stock, the entire amount of capital (not including interest-bearing indebtedness) employed in the business at the close of the year, plus, in each case, one-half of the interest-bearing indebtedness also then outstanding.

Capital employed in the business, as here used, contemplates the entire capital paid in by the members of the company, including so much of the accumulated surplus as is actually employed in the business, but does not include any borrowed capital or interest-bearing indebtedness.

(b) Interest paid (by banks) on deposits or on money received for investment and secured by interest-bearing certificates of indebtedness issued by a bank, banking association, or loan or trust company is deductible in the entire amount so paid.

(c) If the corporation's indebtedness, or any part thereof, is wholly secured by collateral which is the subject of sale or hypothecation in the corporation's ordinary business as a dealer in such property, the interest paid on an amount of such indebtedness not exceeding the actual value of the collateral may be deducted.

Describe all obligations on which interest is paid in the following form. Distinguish plainly collateral loans falling under 6 (c) and also obligations incurred for the purchase of securities, the income from which is exempt from income tax.

Kind of obligation.	Amount of principal.	Rate of interest.	Amount of interest paid
.....	$.....	.....	$.....
N	ONE	.....	.....
.....	.....	.....	.....
Total	$.....		$.....

7. (a) Taxes paid.
Taxes, paid or accrued on the books of the corporation during the taxable year, are deductible with the following exceptions: Federal income and excess profits taxes (including taxes paid on the interest on its own obligations in pursuance of a covenant contained therein relieving the holder of liability for such taxes), foreign taxes on income derived from sources within the United States by foreign corporations, local taxes specially assessed against property on account of benefits derived from public improvements or betterments, and taxes upon the corporation's capital stock in the hands of the stockholders.

Basis of Return.
Is this return made on the basis of actual receipts and disbursements?.....
If not, describe fully what other basis or method was used in computing net income.....

Undisputed Income, Surplus, and Undivided Profits.

Total net income of taxable year preceding that for which this return is made (less income tax paid thereon)	$2,394,169.44
Amount of such income remaining undistributed six months after the close of that year	1,660,530.04
Amount of such income remaining undistributed twelve months after the close of that year	795,000.00
Total surplus and undivided profits at close of taxable year	4,524,016.20

If sufficient space is not provided for the entry of any information required in the "Supplementary Statement, schedules in the form indicated, marked with the number of the item to be explained, should be attached to this form.

2-4242

Frank E. M.....
Internal Revenue Counselor
313 Marquette Bldg.
140 S. Dearborn Street
Chicago

545 (LARSON EXHIBIT 21 A)

Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars from July 28 to December 31, 1914 in Toronto Only

DOUBLEMINT ONLY

		Boxes
Deliveries from factory to shipping departments as per J. Gill's list		73,079
Returns from Shipping Depts. to factory—see their letter 11/12/18	None	.....
Total to Shipping Department Net		73,079
Less		
Given away as donations	85	
Given away for advertising	.....	
Given away in sampling campaigns	.....	85
Balance Sold		72,994
Of the balance sold the following sales were made under list price:—		Nil
Sold in Canada at 48c per box	72994 boxes	
Total Value of Sales of Doublemint in Canada		$ 35,037.12

546 (LARSON EXHIBIT 21 B)

Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars from January 1 to May 31, 1915 in Toronto Only

DOUBLEMINT ONLY

		Boxes
Deliveries from Factory to Shipping Departments as per J. Gill's list		65,911
Returns from Shipping Department to Factory		3,668
Total to Shipping Department Net		62,243
Less		
Given away as donations	428	
Given away for advertising	20	
	6,583	
Given away in sampling campaigns	.....	7,031
Charged to donations		55,212
Balance Sold		
Of the balance sold, the following sales were made under list price:—		Nil
Sold in Canada at 48c per box	55,212 boxes	
Total Sales in $ of Doublemint in Canada		$ 26,501.76

547 (LARSON EXHIBIT 21 C)

Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars from June 1 to December 31, 1915 in Toronto Only

DOUBLEMINT ONLY

		Boxes	
Deliveries from Factory to Shipping Department as per J. Gill's list		115,065	
Returns from Shipping Department to Factory		2,054	
Total to Shipping Department Net		113,011	
Less stock on hand at close of year		7,892	
		105,119	
Less			
Given away as donations	824		
Given away for advertising	10,516		
Given away for sampling campaigns	.....	11,340	
Charged to donations			
Balance Sold		93,779	
Of the balance sold, the following sales were made under list price:—	Nil		
Sold in Canada at 48c per box	8,436 bxs.		$ 4049.28
Sold in Canada at 52c per box	85,343 "		44378.36
Total Sales in $ of Doublemint in Canada			$ 48427.64

548

(LARSON EXHIBIT 21 D)

Nov. 19, 1918.

Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars July 28th, 1914 to November 30th, 1914. Both dates inclusive

Doublemint Only

		Boxes	
Deliveries from Factories to Shipping Depts.		1,049,875	
Less returns from Shippg Depts. to Factories sheets) missing)	.....		
Net total to Shipping Department		1,049,875	
Less			
Given Away for War Tax Rebate Certs.	.....		
Donations	.....		
Advertising) Sampling Campaigns)	107,008	107,008	
		942,867	
Balance Sold	Boxes		
In Foreign Trade	1,665		$ 668.60
At less than list prices	40		19.20
In Continental U. S. A.....		1,705	
		941,162) @48c) =	451,757.76
Total Value of Sales of Doublemint			$452,445.56

Above figures refer to Chicago and Brooklyn Factories only. Toronto figures are given on a separate sheet.

549

(LARSON EXHIBIT 21 E)

Nov. 19, 1918.

Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars
December 1st to December 31st, 1914.
Both dates inclusive

Doublemint Only

		Boxes	
Deliveries from Factories to Shipping Depts.		166,234	
Less returns from Shippg. Depts. to Factories) Sheets missing)	.....		
Net total to Shipping Department		166,234	
Less			
Given Away for War Tax Rebate Certs.	220		
Donations	396		
Advertising)			
Sampling Campaigns)	6,057	6,673	
Balance Sold		159,561	
	boxes		
In Foreign Trade	632		$300.64
At less than list prices	.....	632	
In Continental U. S. A. at		158,929) = @ 52c)	82,643.08
Total Value of Sales of Doublemint			$ 82,943.72

Above figures refer to Chicago and Brooklyn Factories only. Toronto figures are given on a separate sheet.

550

(LARSON EXHIBIT 21 F)

Nov. 19, 1918.

Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars
January 1st, 1915 to December 31st, 1915
Both dates inclusive

Doublemint Only

		Boxes	
Deliveries from Factories to Shipping Depts.		3,683,769	
Less returns from Shippg. Depts. to factories		8,427	
Net total to Shipping Department		3,675,342	
Less			
Given away for War Tax Rebate certs.	128,410 1/2		
Donations	17,595		
Advertising)			
Sampling Campaigns)	169,449	315,454 1/2	
Balance Sold		3,359,887 1/2	
In Foreign Trade	49,873		$21,553.62
At less than list prices	33,962	83,835	16,301.76
In Continental U. S. A.		3,276,052 1/2) @52c) =	1,703,547.30
Total Value of Sales of Doublemint			$1,741,402.68

Above figues refer to Chicago and Brooklyn Factories only. Toronto figures are given on a separate sheet.

551

(LARSON EXHIBIT 21 G)
Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars
January 1st, 1916 to December 31st, 1916
Both dates inclusive

Doublemint Only

		Boxes	
Deliveries from Factories to Shipping Depts.		4,273,780	
Less returns from Shippg. Depts. to Factories		5,399	
Net Total to Shipping Department		4,268,381	
Less			
Given away for War Tax Rebate Certs.	172,391		
Donations	11,748		
Advertising)			
Sampling Campaigns)	98,232	282,371	
Balance Sold.....		3,986,010	
Not sub-(Short Tab V.M.B.A.			
ject to(8/100 boxes	$2,997.00	8,100	
account-(			
ing as(Balance.....		3,977,910	
indecree(			
Foreign Sales		100,618	$38,164.93
Balance....		3,877,292	
Sales in Continental U. S. A. at less than list price....		154,901	76,156.60
Balance sold in Continental U. S. A. at 52 cts. per box....		3,722,391	1,935,643.32
Total value of Sales of Doublemint in enjoined wrappers			$2,049,964.85

Above figures refer to production of Chicago and Brooklyn Factories only.

552

(LARSON EXHIBIT 21 H)

Nov. 19, 1918.

Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars
January 1st, 1917 to October 31st, 1917
Both dates inclusive

Doublemint Only

		Boxes	
Deliveries from Factories to Shipping Depts.		4,029,032	
Less returns from Shippg. Depts to Factories		14,291	
Net total to Shipping Department		4,014,741	
Less			
Given away for War Tax Rebate Certs.	24,332		
Donations	7,357		
Advertising)			
Sampling Campaigns)	19,099	50,788	
Balance Sold.....		3,963,953	
Not sub-(Short Tab V.M.B.A.			
ject to(16,554 boxes	$6,124.98		
account-(Short Tab V.M.N.R.			
ing as(100 boxes	37.00		
in de-(Single Stick V.M.N.R.			
cree (3300 bxs.	1,221.00	19,954	
Balance.....		3,943,999	
Foreign Sales		142,548	$53,340.74
Balance.....		3,801,451	
Sales in Continental U. S. A. at less than list....		174,200	87,100.00
Sales in Continential U. S. A. at 52 cts. per box.....		3,627,251	1,886,170.52
Total Value of Sales of Doublemint in enjoined wrappers			$2,026,611.26

Above figures refer to production of Chicago and Brooklyn factories only.

553

(LARSON EXHIBIT 21 I.)

Nov. 19, 1918

Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars
November 1st, 1917 to December 31st, 1917
Both dates inclusive

Doublemint Only

		Boxes	
Deliveries from Factories to Shipping Depts.		594,825	
Less returns from Shipping Dept. to Factories		128	
Net total to Shipping Department		594,697	
Less			
Given away			
War Tax Rebate Certs.	755		
Donations	1,089		
Advertising)			
Sampling Campaigns)	641	2,485	
Balance Sold.....		592,212	
Not sub-(Short Tab V.M.B.A.			
ject to(2000 boxes	$740.00		
account-(Single StickV.M.N.R.			
ing as(1,400 boxes	518.00	3,400	
in de-(			
cree (Balance.....		588,812	
Foreign Sales		10,777	$ 5,052.98
Balance.....		578,035	
Sales in Continental U. S. A. at less than list.....		31,600	15,800.00
Balance sold in Continental U. S. A. at 55c per box.....		546,435	300,539.25
Total Value of Sales of Doublemint in enjoined wrappers			$321,392.23

Above figures refer to production of Brooklyn and Chicago Factories only.

554

(LARSON EXHIBIT 21 J)

Nov. 19, 1918.

Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars
January 1st, 1918 to August 24th 1918
Both dates Inclusive

Doublemint Only

		Boxes	
Deliveries from Factories to Shipping Depts. (Jan 1 st to Aug 31 1918 incl)		3,338,721	
Less deliveries Aug 26th to Aug 29th incl. (as per sheets)		53,832	
		3,284,889	
Add stock on hand Aug 24 1918 evening as per letter N. L. Buck		19,999	
		3,304,888	
Less manufactured by Brooklyn Aug. 26th to Aug 31st 1918 incl.		22,628	
		3,282,260	
Less adjustment of 1,386 boxes entered as sales but not produced by factory		1,386	
Net deliveries from factories to Shipping Depts Jan 1st to Aug 24th 1918		3,280,784	
Less returns from Shipping Dept to Factories		6,182 1/2	
Net total to Shipping Department		3,274,691 1/2	
Less Given Away			
War Tax Rebate Certs.	1,749 1/2		
Donations	4,284		
Advertising)			
Sampling Campaigns)	1,219	7,252 1/2	
Balance Sold.....		3,267,439	
Not sub-(Short Tab V.M.B.A. ject to(10,000 boxes	$3,700.00		
account-(Short Tab V.M.N.R. ing as(1,400 boxes	518.00		
in de-(Single Stick V.M.N.R. cree (8500 boxes	3,145.00	19,900	
Balance.....		3,247,539	
In Foreign Trade		112,538	$ 53,193.97
Balance.....		3,135,001	
Sales in Continental U. S. A. at less than list price		101,370	50,685.00
Balance sold in Continental U. S. A. at 55c per box		3,033,631	1,668,497.05
Total Value of Sales of Doublemint in enjoined wrappers			$1,772,376.02

Above figures refer to production of Chicago and Brooklyn Factories only.

574 (LARSON EXHIBIT 22 A).

STATEMENT OF GENERAL EXPENSE.

July 28th, 1914 to December 31st, 1914 both dates inclusive.

Debits.		
Postage	$ 31,436.58	
Commission	4,898.81	
Circular Dept. Salaries	7,421.28	
Merchandise, Salesmen	13,964.51	
Geo. F. Desbein	648.98	
Paris Expense	2,780.63	
Interest on Notes Payable	6,974.84	
Discount	51,871.31	
Exchange	3,268.22	
Out Freight on Sales	69,984.25	
Express on Sales	18,913.25	
Rent	6,175.00	
Taxes—Real Estate Factory	14.28	
Administration	49,999.93	
Expense, Miscellaneous	59,031.15	
Auditing Dept. Salaries	33,102.80	
Agency	56,467.93	
Documentary Revenue Stamps	300.00	
Bad Debts	12,590.26	
Insurance	3.01	
Depreciation on Buildings Year 1914 is $44,555.84-5/12,	18,564.90	
Office Stationery Circulars etc	10,054.10	
Advertising Miscellaneous	305.78	
Paris Advertising Matter	679.60	$ 459,451.40
Credits.		
Export Rebates	1,039.03	
Profit on Claims	1,604.18	
Accounts Receivable Closed out	110.60	2,753.81
		$ 456,697.59
16.1927% of		= $ 73,951.79

Prepared by
H. S. Paine.

575 (LARSON EXHIBIT 22 B)

STATEMENT OF GENERAL EXPENSE.

January 1st, 1915 to December 31st, 1915 both dates inclusive.

Debits		
Expense Miscellaneous	$ 60,678.78	
Accounts Receivable closed out	38,215.28	
Agencies	124,918.79	
Salesmen's Merchandise	37,616.94	
Circular Dept Salaries	21,989.85	
Commission	14,823.09	
Postage	31,959.04	
Discount	149,724.49	
Exchange	8,533.44	
Out Freight on Sales	206,472.90	
Express on Sales	42,043.52	
Rent office	15,330.00	
Administration	107,416.69	
Auditing Dept Salaries	97,180.40	
Documentary Revenue Stamps	1,867.11	
Bad Debts	10,057.33	
Insurance	200.47	
Taxes Real Estate	13,165.91	
Taxes Personal Property	4,866.40	
Taxes Corporation Tax	1,550.00	
Office, Stationery, Circulars etc	29,897.00	
Advertising Miscellaneous	1,119.92	$1,019,627.35
Credits.		
Interest on Bank Balance	7,501.79	
Export Rebates	8,884.69	
Profit on Claims	4,918.65	21,305.13
18.6920% of		$998,322.22 =$186,606.72

Prepared by
H. S. Paine

576 (LARSON EXHIBIT 22 C)

STATEMENT OF GENERAL EXPENSE.

January 1st, 1916 to December 31st, 1916 both dates inclusive.

Debits.		
Accounts Receivable Closed Out	$ 30,527.08	
Bad Debts	14,495.78	
Canada Business Profits War Tax	12,000.00	
Agencies	192,864.10	
Salesmen's Merchandise	40,576.11	
Circular Dept. Salaries	25,993.21	
Auditing Dept. Salaries	119,756.59	
Commission	18,378.45	
Postage	29,847.60	
Discount	193,730.52	
Exchange	8,557.10	
Out Freight on Sales	285,636.01	
Express on Sales	54,911.45	
Rent Main Office	18,260.00	
Administration	107,431.66	
Expense Miscellaneous	63,639.58	
Documentary Revenue Stamps	1,673.78	
Australian Organization Expense	10.00	
Taxes Real Estate	11,774.83	
Taxes Personal Property	6,414.84	
Taxes Corporation	1,550.00	
Office Stationery Circulars etc	90,709.61	
Advertising Miscellaneous	1,105.34	$1,329,843.64
Credits		
Export Rebates	1,800.77	
Profit on Claims	7,057.94	
Interest on Notes Receivable and Bank Balance	12,408.03	21,266.74
16.4229% of		$1,308,576.90 = $214,906.28

Prepared by
H. S. Paine.

577 (LARSON EXHIBIT 22 D)

STATEMENT OF GENERAL EXPENSE.

January 1st, 1917 to December 31st, 1917 both dates inclusive.

Debits.		
Bad Debts	$ 14,672.19	
Agencies	171,069.33	
Salesmen's Merchandise	56,181.35	
Circular Dept Salaries	25,282.05	
Auditing Dept Salaries	147,317.60	
Commission	132,324.65	
Trade Discounts	39,590.58	
Postage Stamps	26,031.32	
Discount	261,551.44	
Exchange	7,868.39	
Out Freight on Sales	310,670.14	
Express on Sales	71,938.05	
Rent Main Office	18,960.00	
Expense Miscellaneous	107,814.22	
Administration	113,816.00	
Taxes Real Estate	12,787.12	
Taxes Personal Property	7,135.56	
Taxes Corporation	3,462.50	
Taxes Capital Stock	13,495.25	
Office Stationery, Circulars etc	56,414.62	
Advertising Miscellaneous	819.00	$1,599,201.36
Credits.		
Accounts Receivable Closed Out	1,885.48	
Export Rebates	6,484.75	
Profit on Claims	14,392.58	22,762.81
		$1,576,438.55
14.9424% of		=$235,557.75

Prepared by
H. S. Paine.

578 (LARSON EXHIBIT 22 E)

STATEMENT OF GENERAL EXPENSE.

January 1st, 1918 to August 24th, 1918 both dates inclusive.

Debits.			
Expense Brooklyn Moving	$ 5,705.70		
Agencies	88,907.79		
Salesmen's Merchandise	32,916.75		
Circular Dept Salaries	15,318.10		
Auditing Dept Salaries	113,204.46		
Trade Discounts	109,786.97		
Postage Stamps,	11,696.96		
Discount,	206,159.12		
Exchange	6,406.46		
Out Freight on Sales	235,360.15		
Express on Sales	35,702.29		
Rent Main Office	13,000.00		
Expense Miscellaneous	76,640.55		
Administration	80,666.72		
Taxes Real Estate	13,004.66		
Taxes Corporation	10,000.31		
Taxes Capital Stock (paid 9/18/18 belongs prior to 9/1/18 (Additional)	1,755.50		
Office Stationery, Circulars, etc	8,413.84		
Advertising Miscellaneous	1,078.70		
Taxes Personal Property	5,727.44		
Taxes Essential Oil	323.95		
Depreciation on Office Furnitue & Fixtures, 8 months,	2,455.36		
Taxes Capital Stock Paid 10/18/18 belongs prior to 9/1/18.	9,836.00	$1,084,067.78	
Credits.			
Bad Debts	2,413.16		
Accounts Receivable Closed Out	890.35		
Profit on Claims	12,786.24		
Commission	472.04	16,561.79	
14.9042% of		$1,067,505.99	=$159,103.21

Prepared by
H. S. Paine.

579 (LARSON EXHIBIT 22 F)

STATEMENT OF GENERAL EXPENSE.

August 25th, 1918 to October 4th, 1918 both dates inclusive

	Debits		
Bad Debts	40.50		
Detail Men	$ 2,675.38		
War Tax on Sales	20,145.77		
Agencies	9,959.18		
Salesmen's Premiums	5,323.01		
Circular Dept Salaries	1,491.65		
Auditing Dept Salaries	12,185.16		
Expense Brooklyn–U S Navy	25,701.88		
Trade Discounts on Sales	13,631.92		
Postage Stamps	937.88		
Discount	17,774.64		
Exchange	537.17		
Out Freight on Sales	23,421.55		
Express on Sales	6,842.54		
Rent Main Office	1,625.00		
Expense Miscellaneous	6,265.49		
Administration	10,083.32		
Illinois Manufacturers Assn	25.00		
Expense—October 1st, 1918 to October 4th 1918 incl	25,447.03	$ 184,114.07	
	Credits.		
Accounts Closed Out	57.18		
Profit on Claims	1,227.28		
Interest	4,341.45	5,625.91	
22.5614% of		$ 178,488.16 =	$ 40,269.43

Prepared by
H. S. Paine

640 (LARSON EXHIBIT No. 24)

Statement of Amounts Expended for Advertising all Brands of Chewing Gum

Year	Cost
Aug. 1, 1914 to Jan. 1, 1915	$ 717,638.92
1915	1,632,469.74
1916	1,666,883.93
1917	1,534,324.20
Jan. 1, 1918 to Nov. 1, 1918 (10 months)	1,181,706.44
Total Cost from Aug. 1, 1914 to Nov. 1, 1918	$6,733,023.23

642 (LARSON EXHIBIT No. 25-A)

Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars August 26th to October 4th, 1918 Both dates inclusive

DOUBLEMINT ONLY

		Boxes	
Deliveries from Factories to Shipping Depts.		590,677	
Returns from Shippg. Depts. to Factories		169	
Net Total to Shipping Depts.		590,508	
Less			
Given away for War Tax Rebate Certs.	138		
Given away for Donations	628½		
Given away for Advertising & Sampling	38	805½	
Balance Sold		589,702½	
Not subject to accounting as in decree (Short Tab V. M. B. A. 2,250 boxes	$832.50		
" " N. R.			
(Single Stick N. R. 1,100 boxes	407.00	3,350	
Balance		586,352½	
Foreign Sales		58,452	$ 26,804.04
Balance		527,900½	
Sales in Continental U. S. A. at less than list		17,600	8,800.00
Sales in Continental U. S. A. at 55c per box		510,300½	280,665.27
		527,900½	
Total Value of Sales of Doublemint in enjoined wrappers			$ 316,269.31

Above figures refer to production of Chicago and Brooklyn Factories only.

643 (LARSON EXHIBIT No. 25-B)

Method of Arriving at Sales of Wrigley's Doublemint in Boxes and Dollars October 5th, 1918 to November 12th, 1918 Both Dates Inclusive

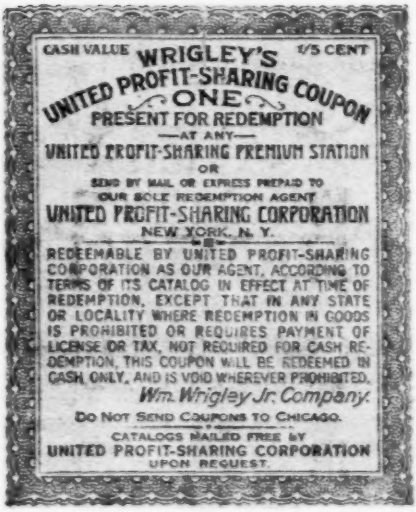
DOUBLEMINT ONLY

	Boxes	
Deliveries from Factories to Shipping Depts.	93,505	
Returns from Shipping Depts. to Factories	.....	
Net Total to Shipping Depts.	93,505	
Foreign Sales only	93,505	$ 43,914.75

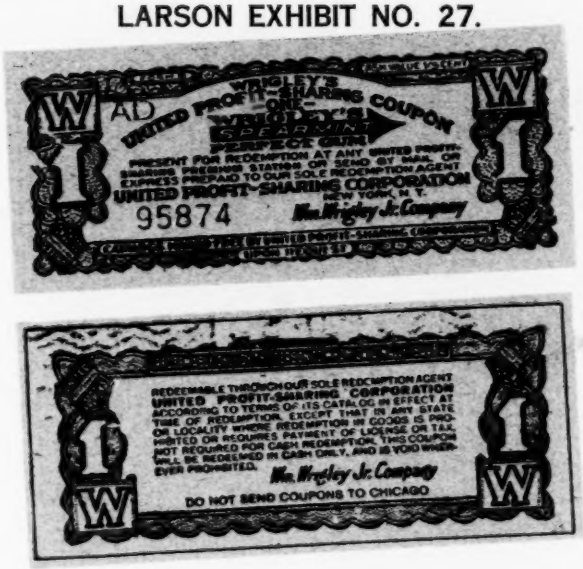
Above figures refer to production of Chicago and Brooklyn Factories only.

Of the above total of 93,505 boxes, 71,084 boxes were wrapped with green wrappers, and the remainder, 22,421 boxes, were wrapped with dry white paper around each stick. (See letter N. L. Buck 12/11/18)

LARSON EXHIBIT NO. 26.


CASH VALUE
WRIGLEY'S
1/5 CENT
UNITED PROFIT-SHARING COUPON
ONE
PRESENT FOR REDEMPTION
—AT ANY—
UNITED PROFIT-SHARING PREMIUM STATION
OR
SEND BY MAIL OR EXPRESS PREPAID TO
OUR SOLE REDEMPTION AGENT
UNITED PROFIT-SHARING CORPORATION
NEW YORK, N. Y.
REDEEMABLE BY UNITED PROFIT-SHARING CORPORATION AS OUR AGENT, ACCORDING TO TERMS OF ITS CATALOG IN EFFECT AT TIME OF REDEMPTION, EXCEPT THAT IN ANY STATE OR LOCALITY WHERE REDEMPTION IN GOODS IS PROHIBITED OR REQUIRES PAYMENT OF LICENSE OR TAX, NOT REQUIRED FOR CASH REDEMPTION, THIS COUPON WILL BE REDEEMED IN CASH ONLY, AND IS VOID WHEREVER PROHIBITED.
Wm. Wrigley Jr. Company.
DO NOT SEND COUPONS TO CHICAGO.
CATALOGS MAILED FREE by
UNITED PROFIT-SHARING CORPORATION
UPON REQUEST.

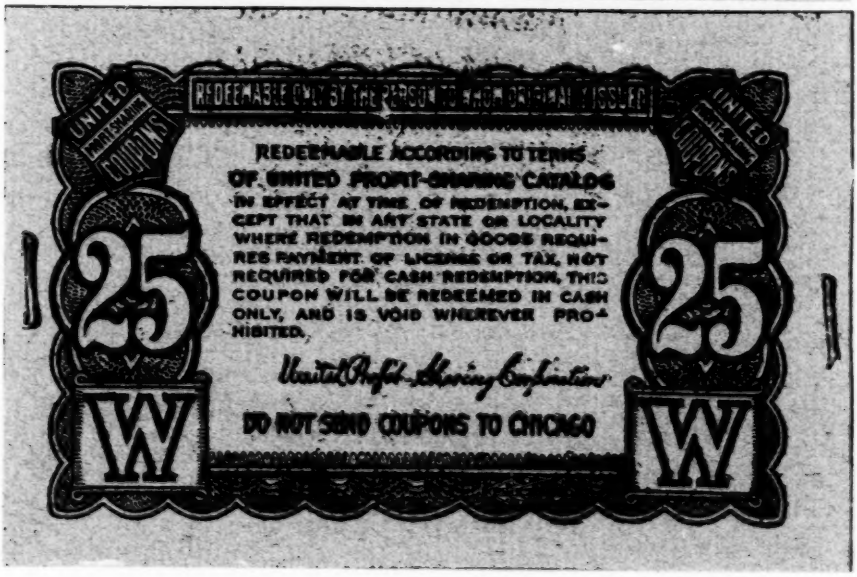
LARSON EXHIBIT NO. 27.


WRIGLEY'S
UNITED PROFIT-SHARING COUPON
ONE
WRIGLEY'S
SPEARMINT
PEPPERMINT
PRESENT FOR REDEMPTION AT ANY UNITED PROFIT-SHARING PREMIUM STATION OR SEND BY MAIL OR EXPRESS PREPAID TO OUR SOLE REDEMPTION AGENT
UNITED PROFIT-SHARING CORPORATION
NEW YORK, N. Y.
95874
Wm. Wrigley Jr. Company
REDEEMABLE THROUGH OUR SOLE REDEMPTION AGENT
UNITED PROFIT-SHARING CORPORATION
ACCORDING TO TERMS OF ITS CATALOG IN EFFECT AT TIME OF REDEMPTION, EXCEPT THAT IN ANY STATE OR LOCALITY WHERE REDEMPTION IN GOODS IS PROHIBITED OR REQUIRES PAYMENT OF LICENSE OR TAX, NOT REQUIRED FOR CASH REDEMPTION, THIS COUPON WILL BE REDEEMED IN CASH ONLY, AND IS VOID WHEREVER PROHIBITED.
Wm. Wrigley Jr. Company
DO NOT SEND COUPONS TO CHICAGO

LARSON EXHIBIT NO. 28.

REDEEMABLE ONLY BY THE PERSON TO WHOM ORIGINALLY ISSUED
UNITED PROFIT-SHARING COUPONS
REDEEMABLE BY
UNITED PROFIT-SHARING CORPORATION
AS OUR AGENT ACCORDING TO TERMS OF ITS CATALOG IN EFFECT AT TIME OF REDEMPTION, EXCEPT THAT IN ANY STATE OR LOCALITY WHERE REDEMPTION IN GOODS IS PROHIBITED OR REQUIRES PAYMENT OF LICENSE OR TAX, NOT REQUIRED FOR CASH REDEMPTION, THIS COUPON WILL BE REDEEMED IN CASH ONLY, AND IS VOID WHEREVER PROHIBITED.
Wm. Wrigley Jr. Company
DO NOT SEND COUPONS TO CHICAGO
W
5
W

LARSON EXHIBIT NO. 29.


REDEEMABLE ONLY BY THE PERSON MAKING APPLICATION
REDEEMABLE ACCORDING TO TERMS
OF UNITED PROFIT-SHARING CATALOG
IN EFFECT AT TIME OF REDEMPTION, EXCEPT THAT IN ANY STATE OR LOCALITY WHERE REDEMPTION IN GOODS REQUIRES PAYMENT OF LICENSE OR TAX, NOT REQUIRED FOR CASH REDEMPTION, THIS COUPON WILL BE REDEEMED IN CASH ONLY, AND IS VOID WHEREVER PROHIBITED.
United Profit-Sharing Corporation
DO NOT SEND COUPONS TO CHICAGO
UNITED PROFIT-SHARING COUPONS
25
W

LARSON EXHIBIT NO. 44

With each package of

WRIGLEY'S

chewing gum, you get a

United Profit Sharing Coupon

Spicy juice of Spearmint— known the world over

The New Double Strength Peppermint flavor

The coupons are good toward many attractive presents—for every member of the family.

These l-o-n-g l-a-s-t-i-n-g, luscious sweets offer the ***most value,*** the ***most pleasure*** and the ***most benefit*** possible to get for 5 cents.

Good for teeth, breath, appetite and digestion. Sealed air-tight, they are always fresh, full flavored and clean.

If you like the spicy flavor of fresh mint leaves, take SPEARMINT
If you like Peppy-Peppermint, get DOUBLEMINT
Use either, or both, for l-o-n-g l-a-s-t-i-n-g delight.

Be sure to get WRIGLEY'S

19

19354

LARSON EXHIBIT NO. 45

WRIGLEY'S

is not only the Perfect Gum in the Perfect Package. Absolutely clean and wholesome — the product of scientific manufacture— wax wrapped and sealed air-tight. Not only that, but — on each 5c package the outer band is a valuable Premium Coupon.

These Coupons come with both **WRIGLEY'S** DOUBLEMINT — new Double Strength Peppermint gum and with **WRIGLEY'S** SPEARMINT — Mint Leaf flavored brand.

These SAME COUPONS now come with so many high grade products that you can collect them very rapidly. Substantial premiums are offered for as low as 5 coupons — and from that up.

Articles for men, women, children and the home. Birthday and Holiday gifts. Wearing apparel, furniture— a thousand useful, ornamental, pleasure-giving things. The Spearmen shown here have a few of them.

Write for your free copy of the newest premium book for saving and ask **WRIGLEY'S** *Mother Goose* the old familiar rhymes written and illustrated as the WRIGLEY SPEARMEN think they ought to be! Address:
Wm. Wrigley Jr. Co.
1709 Kesner Bldg.
Chicago

It Will Pay You To Save

19353

LARSON EXHIBIT NO. 46

WRIGLEY'S

Friends!

The Wrigley Spears are constant friends to teeth, breath, appetite and digestion.

Women workers relish the refreshing, comforting influence of this toothsome, long-lasting confection.

Its benefits are many — its cost small. That's why it's used around the world. Nothing else can take its place.

Chew it after every meal

Write Wrigley's, 1605 Kesner Bldg., Chicago, for the funny Spearmen's Gum-ptios book.

19352

LARSON EXHIBIT NO. 48

"Oh, Matey!"
WRIGLEY'S
is the big little thing to keep you refreshed.
It allays thirst and gives your sweet-tooth a treat.
It helps appetite and digestion and keeps teeth clean.
The Flavor Lasts!
WRIGLEY'S DOUBLEMINT CHEWING GUM
JUICY FRUIT
At Canteens, Y. M. C. A., Red Cross and other stores.

19351

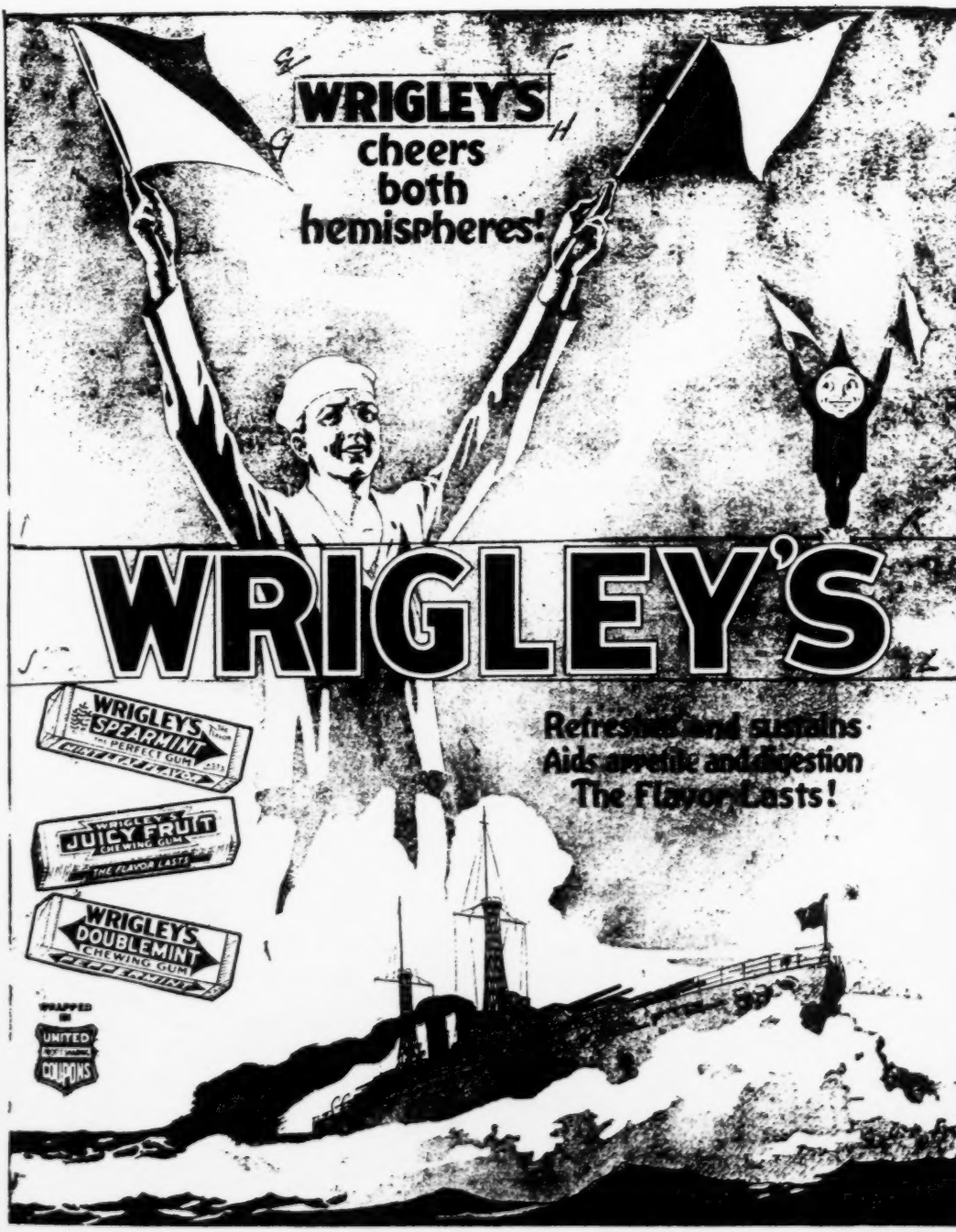
LARSON EXHIBIT NO. 49

Confectioners' Review, Cincinnati.

WRIGLEY'S
The Perfect Chewing Gum
whitens the teeth, quenches thirst, cleanses the mouth, soothes the throat, helps appetite and digestion.
Chew it after every meal
WRIGLEY'S SPEARMINT
THE PERFECT GUM
MINT LEAF FLAVOR
WRAPPED IN
UNITED PROFIT-SHARING COUPONS
WRIGLEY'S DOUBLEMINT CHEWING GUM
PEPPERMINT
No better gum could be made.

1136

19352


WRIGLEY'S
cheers
both
hemispheres!
WRIGLEY'S
Refreshes and sustains
Aids appetite and digestion
The Flavor Lasts!
WRIGLEY'S SPEARMINT
THE PERFECT GUM
PEPPERMINT FLAVOR
WRIGLEY'S JUICY FRUIT
CHEWING GUM
THE FLAVOR LASTS
WRIGLEY'S DOUBLEMINT
CHEWING GUM
PEPPERMINT
WRAPPED IN
UNITED
COUPONS

7752 LARSON EXHIBIT No. 132

Filed Jan. 7, 1925, at . . o'clock . . M. John H. R. Jamar, Clerk

7753 INDEX

Summary of profits July 28, 1914, to November 12, 1918	Exhibit A	
Sales, Cost of Sales, Expenses and Net Profits—		
July 28, 1914, to December 31, 1914	do	A-1
Year 1915	do	A-2
Year 1916	do	A-3
Year 1917	do.	A-4
January 1 To August 31, 1918	do.	A-5
September 1 to October 4, 1918	do.	A-6
October 5 to November 12, 1918	do.	A-7
Summary of Overhead Expenses July 28, 1914, to November 12, 1918	do.	B
Statements of Differences—		
Overhead Expenses	do.	B-1
Advertising	do.	C
Proportion Paid for U. P. S. Coupons	do.	D
Contingent Liability U. P. S. Coupons	do.	E
Printing U. P. S. Coupons	do.	F
Trade Discounts	do.	G
Loss on Sale of Merchandise with Doublemint.	do.	H
Interest on Capital Invested	do.	I
Interest on Capital Invested in Patents and Patent Rights	do.	J
Depreciation of Patents and Patent Rights	do.	K
Income and Excess Profits Taxes	do.	L
Loss by Fire at Belize	do.	M
Summary of Coupons Issued and Redeemed September 1914 to December 31, 1918	do.	N
Statement of Apportionment of Advertising Expenses on the basis of Deferring 50%	do.	O

* * * * *

7754 Telephone Franklin 976 Cable Address "Retexo"

New York
Chicago
Cleveland
St. Louis
Minneapolis

Touche, Niven & Co.

Public Accountants

England
London Birmingham
Canada
Montreal Toronto
Winnipeg Calgary
Edmonton Vancouver
South America
Buenos Aires Rosario
Rio De Janiero Sao Paulo
Montevideo
Valparaiso Santiago

Sir George Touche, Bart., C.A.
J. B. Niven, C.A., C.P.A.
A. W. Tait, C.A.
C. R. Whitworth, A.C.A., C.P.A.
H. E. Mendes, C.P.A.
F. J. Clowes, C.A., C.P.A.

Resident Partner
Charles R. Whitworth

10 South La Salle Street
Chicago October 25, 1921.

L. P. LARSON, JR., COMPANY,
201 East Ohio Street,
Chicago, Illinois.

Dear Sirs:

WRIGLEY VS. LARSON

Pursuant to instructions received and in accordance with authority granted by the Master in Chancery, we have made an examination of the books and accounts of the Wm. Wrigley, Jr., Company for the period from July 28, 1914, to November 12, 1918, for the purpose of verifying the statement of accounting submitted by Wm. Wrigley, Jr., Company to the Master purporting to show the profit or loss on sales of Doublemint Chewing Gum from the date on which that gum was first sold, viz., July 28, 1914, to November 12, 1918, when the enjoined wrapper was discontinued.

According to the accounting prepared by the Wrigley Company and filed with the Master, the loss on sales of Doublemint during the period in question, exclusive of sales in Canada and Australia, after the formation of Companies in those countries, was..... $ 272,627.53

According to our computations, arrived at as explained hereinafter, and exclusive of interest accruing to L. P. Larson, Jr., Company on profits retained by the Wrigley Company, and exclusive also of the good will or residual value of advertising, etc., the profits on sale of Doublemint during the period were..... 2,840,528.74

A difference of..... $3,113,156.27

The amount of sales and cost of sales as reported in the Doublemint accounting having been accepted by your counsel so far as the Chicago and Brooklyn factories are concerned and as to the Toronto factory for the period prior to the organization of the Canadian Company, our examination was restricted to the verification of overhead ad-
7755 vertising and expenses other than those pertaining to manufacture, and therefore the above difference of $3,113,156.27 is composed of such items as follows:

	Per Wrigley Co's. Statement	Per Statement herewith	Difference
Doublemint's proportion of—			
Overhead Expenses	$ 895,746.61	$ 790,254.08	$ 105,492.53
Advertising	2,794,651.76	1,017,183.59	1,777,468.17
Amount paid for United Profit Sharing Coupons	330,320.71	332,885.56	2,564.85
Contingent liability for unredeemed United Profit Sharing Coupons	317,581.15	98,580.79	219,000.36
Printing United Profit Sharing Coupons	6,334.86	6,915.30	580.44
Trade Discounts—Allowances to Jobbers	57,087.34	54,082.85	3,004.49
Loss on sale of Merchandise with Doublemint	38,166.27	12,258.41	25,907.86
Interest on Capital invested	306,345.38	.....	306,345.38
Interest on Capital Invested in Patents and Patent Rights	49,181.15	.....	49,181.15
Depreciation of Patents and Patent Rights	64,267.43	.....	64,267.43
Income and Excess Profits Taxes	563,933.89	.....	563,933.89
Loss by fire at Belize	1,700.30	.....	1,700.30
Total	$5,425,316.85	$2,312,160.58	$3,113,156.27

Particulars of the items of expense which we have disallowed or changed with our reasons therefor will be found by reference to accompanying statements, marked for identification Exhibits B-1 to M inclusive, but it may be well to comment in this report on some of the more important items which, in our opinion, should be excluded from the calculation of profits on sale of Doublemint.

Overhead Expenses—(Exhibits B and B-1):

Total Overhead Expenses for the period under review, according to Wrigley Company's statement of accounting was $5,793,134.99

This amount has been reduced by us to the sum of 5,059,789.95

A difference in total Overhead applicable to all sales of ..... $ 733,255.04

4139

Doublemint's proportion of this reduction, based on the ratio of Doublemint sales to total sales, and calculating each period separately, aggregates $105,492.53. The above difference between our figures and those of the Wm. Wrigley Company, viz., $733,255.04, is comprised of a number of items, both increases and decreases, particulars of which will be found by reference to Exhibit B-1 and 7756 since all of them are fully explained in the statements, it seems unnecessary to further comment thereon, except as to the following more important items:

Notes of Frank F. Pulver paid	$120,000.00
Brooklyn Moving Expense	112,370.82
Depreciation of Buildings	18,564.90
Salary of Wm. Wrigley, Jr	328,750.00
Interest received on Notes and Accounts in addition to such interest allowed in statement of accounting filed by the Wrigley Company.	100,413.08
	$680,098.80

Under the terms of an agreement dated December 19, 1913, the Wm. Wrigley Company paid Frank F. Pulver and his associates $100,000.00 in cash and gave five notes of $30,000.00 each, due January 1, 1915, 1916, 1917, 1918, and 1919, in settlement of a lawsuit. In consideration of these payments the Wrigley Company acquired certain assets consisting of trade marks, business, furniture and fixtures, machinery, tools and merchandise theretofore owned by Pulver and his associates.

During the period from July 28, 1914, to November 12, 1918, four of these notes ($120,000.00) and interest thereon aggregating $25,200.00 were paid. Since the payment of these notes was simply the liquidation of liabilities existing prior to the accounting period, which properly should have been taken up on the books in December 1913, the amount has no bearing on the profits on Doublemint and should therefore be eliminated.

Regarding the Brooklyn Moving Expense, In June, 1918, the U. S. Navy Department commandeered the premises occupied by the Wrigley Company in the Bush Terminal at

Brooklyn, New York. On September 9, 1918, the order was cancelled. In the meantime the Wrigley Company had secured a site for a new factory and had commenced building operations, the new factory being occupied in January, 1919. Expenditures in connection with the preparation for the transfer of the factory were charged in the books to an account entitled "U. S. Navy Department" and included capital expenditures as well as expenses of moving. The balance in this account at November, 1918, was $150,198.55, of which the Wrigley Company took up as an expense in the Doublemint accounting $112,370.82, although when the Wrigley Company books were closed at December 18, 1918, only $84,489.47 of the account was written off as an expense. The property was appraised in March, 1919,
7757 by the Americal Appraisal Company and in November, 1919, a further amount of $102,579.32 was written off to reduce the book figure to the appraised value. In view of the fact that the Wrigley Company has filed a claim against the Navy Department for losses arising from the cancellation of the Naval Order, and furthermore that the buildings were not occupied until after the Doublemint accounting period, it would appear that Doublemint in the enjoined wrapper should bear no portion of the expense.

The item of depreciation of buildings, amounting to $18,564.90 should be disallowed for the reason that any provision for depreciation of factory buildings is chargeable to cost of manufacture and since the cost of manufacture has been agreed upon, this item should be eliminated from Overhead Expenses.

Compensation paid Mr. Wm. Wrigley, Jr., as President during the accounting period, aggregating $328,750.00, has been eliminated on advice of counsel as not a proper charge in the calculation of profits on Doublemint in the infringed wrapper.

For the period from July 28, 1914, to December 31, 1915, and for the last two periods of 1918, viz., from September 1 to October 4 and from October 5 to November 12, the Wrigley Company included in its statement all interest received on bank balances and loans and interest paid on Pulver notes, but for the periods of 1916, 1917 and January 1 to August

31, 1918, only a portion of interest received on loans was included, the following amounts having been omitted:

Received from	1916	1917	January 1 to Aug. 31, 1918.	Total
W. Wrigley, Jr., Co., Ltd. Toronto	$ 4,708.75	$ 2,250.00	$ 5,000.00	$ 11,958.75
W. Wrigley, Jr., Co. Prop. Ltd. Australia	3,047.00	.....	6,131.35	9,178.35
Wrigley's, Ltd. London	24,509.67	.....	.....	24,509.67
Other Individuals and Companies	3,000.00	20,259.73	31,506.58	54,766.31
Total	$35,265.42	$22,509.73	$42,637.93	$100,413.08

In view of the fact that, as we understand it, the Larson Company is entitled to interest on profits from the close of the infringing period only, it would appear to be reasonable that all interest earned on money loaned should be apportioned on the same basis as expenses, i. e., on the basis of relative sales, and we have so treated it.

7758 The amount of interest paid on Pulver notes and included in Overhead expenses is made up as follows:

August 1 to December 31, 1914	$ 9,000.00
Year 1915	7,200.00
Year 1916	5,400.00
Year 1917	3,600.00
Total	$25,200.00

In addition to the items disallowed, as per Exhibits B-1, are attorney's fees paid and included in Expense under the caption of Overhead, a list of which has been furnished Mr. Aldrich. Included in this list is an amount of $1,500.00 paid Albert H. Smith on March 14, 1917, who we understand was a witness brought from California to testify in the present case. The inclusion in expenses of this and some of the other items have been objected to by Mr. Aldrich. The amount of such expenses finally disallowed should be adjusted in the accounts submitted herewith.

Advertising—(Exhibit C):

Following is a summary, according to the Wrigley Company's analysis, of the advertising charged to Doublemint in the accounting filed with the Master:

Newspapers and Magazines	$ 649,411.04
Foreign	45,677.14
Billposting	453,270.60
Walls, Bulletins and Electric Signs	258,939.08
Street Cars	625,219.80
Miscellaneous	69,216.29
Advertising Material	103,599.54
Detail Men	174,028.12
Sample Campaign	301,117.83
War Tax Rebate Certificates	97,183.23
Donation of Gum	12,508.35
	$2,790,171.02
Sundry clerical errors made by the Wrigley Company in compiling their figures	4,480.74
Total	$2,794,651.76

The total amount expended by Wm. Wrigley Company for advertising all brands of gum, including Doublemint, during this period under review was $6,363,082.11. It will be seen, therefore, that Doublemint has been charged by the Wrigley Company in its accounting with 43.92% of the total expenditures, although the sales of Doublemint during the same period, as reported by the Wrigley Company, were only 15.71% of the total sales. With few exceptions, we found it practically impossible to verify from the records the Wrigley Company's apportionment of advertising as between Doublemint and other brands for the following reasons:

7759

(1) Newspapers and Magazines in which advertisements were inserted were not available for inspection and the invoices therefor contained no satisfactory particulars on which to base an apportionment. The newspaper advertisements were apparently numbered consecutively and the basis of apportionment adopted by the company in its accounting for the years 1914, 1915 and 1916 was to allot to each of the two principal brands (Doublemint and Spearmint) a certain number of agate lines of each advertisement,

according to their knowledge of what was being advertised and apportion the cost on this basis. After 1916, Juicy Fruit was being sold and accordingly that brand of gum was from the beginning of 1917 assigned a proportion of the expense. Advertising in magazines was apportioned in a similar manner, the amount, however, being comparatively small as compared with advertisements in newspapers.

The following is a summary of the Wrigley Company's apportionment of agate lines carried in newspapers and the percentage on which the cost was apportioned, viz.:

	Spearmint		Doublemint		Juicy Fruit		
	Agate Lines	%	Agate Lines	%	Agate Lines	%	Total
October 1 to December 31, 1914	414	6.13	6,336	93.87			6,750
Spring of 1915	4,322	49.39	4,428	50.61			8,750
Fall of 1915	2,875	50.	2,875	50.			5,750
Year 1916	6,634	49.14	6,699	49.62	167	1.24	13,500
Year 1917	5,301	32.62	5,284	32.52	5,665	34.86	16,250
January 1 to October 4, 1918	..	..	..	33.33	..	..	..

(2) Bill Posting—The total amount expended for bill posting during the period under review was $1,025,697.22, made up as follows:

	Amount	% to Total
Services, including space rentals, posting service and reshipping charges	$ 887,870.49	86.56
Lithographing, etc.	137,826.73	13.44
Total	$1,025,697.22	100.00

Of this amount Doublemint was charged in Wrigley Company's accounting with $453,270.60, or 44.19%, of the total charges. The expenditures under this caption by accounting periods and the amounts thereof charged to 7760 Doublemint follow:

Period	Total	Charged to Doublemint: Amount	% to Total Bill Posting	% of Doublemint Sales to all Sales
October 1 to December 31, 1914	$ 53,695.53	$ 52,888.56	98.50	16.1927
Year 1915	263,765.23	131,149.83	49.72	18.692
Year 1916	208,194.76	103,411.64	49.76	16.4229
Year 1917	260,780.00	86,426.67	33.14	14.9424
January 1 to September 30, 1918	220,908.08	73,276.03	33.17	14.9042
October 1 to 4, 1918	18,353.62	6,117.87	33.33	19.8089
	$1,025,697.22	$453,270.60	44.19	16.1557

It will thus be seen that Doublemint was charged in Wrigley Company's accounting with 44.19% of the total expenditures during the period under review, whereas Doublemint sales during the same period were only 16.15% of all sales.

The method of apportionment of Bill Posting expenses adopted by the Wrigley Company in its accounting was to first deduct from the total amount expended certain comparatively small amounts, such as the amounts paid to Philadelphia and Reading Railway Company ($120.00) per month) and to George W. Roebling ($30.00 per month) and to apportion the balance as follows:

October 1, to December 31, 1914	100% to Doublemint
Year 1915	50% to Doublemint
Year 1916	50% to Doublemint
Year 1917	33-1/3% to Doublemint
January 1 to November 12, 1918	33-1/3% to Doublemint

Expenditures under Bill Posting for printing and lithographing could be allocated as between Doublemint and other brands more or less correctly from the invoices and other records of the company, as the invoices show a reference to the design, but this portion of the Bill Posting expense represents only 13.44% of the total Bill Posting expense. The balance of Bill Posting expense (86.56%) represents payments for services, space rentals, etc., and these invoices contain no particulars on which to base an apportionment as between brands of gum.

(3) Walls, Bulletins and Signs—The Company maintains a card system of this class of advertising on which the location and size of each wall or sign and whether Spearmint, Doublemint or other brand is advertised and in what proportion. The cards also show the rental cost, cost of painting and repainting per square foot and date these ex-
7761 penses were incurred, but no amounts.

We were informed that the Wrigley Company, in preparing the data for its accounting, simply drew off by use of calculating machines, the amounts which they decided were chargeable against Doublemint and tabulated these totals by states, without tabulating by the same geographical boundaries the amount thereof chargeable to other brands. If they had tabulated the amounts chargeable to

other brands as well as that chargeable to Doublemint, we would have been in position to test the accuracy of the figures. As it is, however, we were unable to verify the apportionment without considering every one of the cards and building up an account by calculating the number of square feet shown thereon by the rate per square foot and balancing this with the total of this class of advertising. The cards themselves, however, were in such unsatisfactory condition, due to frequent changes of design, cancellation of contracts, lack of references, etc., that we doubt whether it would be possible within any reasonable time to make any satisfactory verification of the apportionment.

The amount charged by Wrigley Company to Doublemint in the accounting for this class of advertising was $258,939.08.

(4) Street Cars—The records pertaining to Street Car advertising were found to lack the same essential information for a proper apportionment as was explained under the caption of Bill Posting, that is to say, that whereas the invoices covering the charges for printing and lithographing contain a reference to the design and thus permit of an apportionment of this part of the charge, the greater part of the invoices, to be more specific 95% of the money value thereof, is for space rentals, services in connection with placing and replacing car cards, reshipping charges, etc., and such invoices contain no such particulars of the design or other data on which an apportionment could be based.

The total amount expended for street car advertising during the period under review was $1,357,730.39, of which Doublemint was charged by the Wrigley Company in its accounting with $625,219.80, or 46.05% of the total amount, as per the following summary:

7762

Period	Total	Apportioned to		
		Doublemint	Spearmint	Juicy Fruit
August 1914	$ 26,203.30	$.....	$ 26,203.30	$.....
September, October and 1/2 November 1914	62,906.93	62,906.93	.....	.....
Balance of November and all of December 1914.....(1)	37,946.47	20,698.06	17,248.41	.....
January 1915.....(2)	26,368.75	15,102.10	11,266.65	.....
February to December 31, 1915.....(3)	284,946.96	181,450.09	103,496.87	.....
January to November 1916(4)	278,686.77	139,343.38	139,343.39	.....
November 16 to 30, 1916....	13,977.77	5,435.80	3,882.71	4,659.26
December 1916.....	27,681.02	10,764.84	7,689.17	9,227.01
January to April 15, 1917...	94,091.03	21,211.48	18,446.66	54,432.89
April 16 to December 31, 1917.....(5)	250,435.57	83,478.52	83,478.52	83,478.53
January 1 to September 30, 1918.....(5)	254,485.82	84,828.60	84,828.61	84,828.61
Total	$1,357,729.39	$625,219.80	$495,884.29	$236,626.30
% to total	100%	46.05%	36.52%	17.43%

(1) Mr. Stanley could not explain this basis of apportionment.

(2) Company claims this is design No. 65.

(3) Doublemint's charge of $181,450.09 is supposed to be 50% of total: Company made an error in its favor of $38,976.61.

(4) Divided 50–50.

(5) One-third to each of the three principal brands.

(5) Included in the item of "Miscellaneous," amounting to $69,216.29, charged against Doublemint, are items aggregating $56,816.86 representing amounts paid United Cigar Stores in 1914, 1915 and 1916 for advertising on book matches, the entire amount of which has been charged by the Wrigley Company to Doublemint. Samples of these book matches were not available for inspection and consequently we are not in a position to express an opinion as to the correctness of the charge.

(6) Advertising Material—The following is a summary of the total expenditures under this caption and the amount thereof charged by the Wrigley Company to Doublemint:

	Total	Charged to Doublemint	
		Amount	% to Total
July 28 to December 31, 1914	$ 2,032.11	$ 1,898.07	93.40
Year 1915	87,543.34	46,955.94	53.64
Year 1916	78,990.00	39,052.44	49.44
Year 1917	38,500.24	14,306.98	37.16
January to September 1, 1918	4,158.32	1,386.11	33.09
	$211,224.01	$103,599.54	49.05

7763 Items grouped under this caption comprise transportation charges, calendar pads, Mother Goose booklets, and sundry other items. Some invoices show reference to design or cut-out numbers and these by reference to other records could be allocated more or less correctly, but where no such references are given on the invoices it would be impracticable from the records to verify the company's apportionment of the charges.

(7) Detail Men—This is a separate account in the general ledger which the Wrigley Company in its accounting has included under the general caption of "Advertising." The account comprises the salaries and expenses of employes known by the company in some instances as "detail men" and in others as "salesmen," whose duties, as we understand it, are to call on the trade for the purpose of seeing that Wrigley's gum is being properly displayed, etc. They also take orders and place advertising material. The company's explanation of the duties of these men was that placing advertising material with present and prospective customers is their primary duty and that selling is secondary or incidental.

The total expense under this caption and the amount thereof charged in Wrigley's accounting to Doublemint follows:

	Total	Charged to Doublemint	
		Amount	% to Total
August 1 to December 31, 1914	$ 22,717.80	$ 11,358.90	50.00
Year 1915	103,148.57	51,574.28	50.00
Year 1916	131,591.03	46,765.04	35.54
Year 1917	146,979.33	48,993.11	33.33
January 1 to August 31, 1918	46,010.38	15,336.79	33.33
	$450,447.11	$174,028.12	38.63

For the period from September 1 to November 12, 1918, the Wrigley Company included the salaries and expenses of "Detail Men" in Overhead expenses and apportioned the amount to Doublemint on the basis of relative sales.

(8) Doublemint Sample Campaign—This amount of $301,117.83 is roughly made up as follows:

7764	1914	1915	1916	1917	1918	Total
Gum at Cost	$ 22,860.23	41,201.81	21,727.15	4,225.34	270.92	90,285.45
Postage	16,165.33	28,680.62	7,912.61	153.31	.....	52,911.87
Envelopes	7,758.98	6,898.60	4,427.05	580.64	.....	19,665.27
Credits to Jobbers for 60c cards redeemed	97,665.60	14,815.80	259.80	.....	.....	112,741.20
Packing labor	2,127.84	4,511.28	2,712.91	265.43	.....	9,617.46
Folders for Samples	.....	.....	4,381.42	5,923.22	.....	10,304.64
Miscellaneous	5,197.83	172.31	142.38	79.42	.....	5,591.94
Total	$151,775.81	96,280.42	41,563.32	11,227.36	270.92	301,117.83

Virtually all advertising, with the exception of salaries and expenses of "Detail Men", was charged on the books to the one account of "Advertising," and while the advertising expenses could be substantially verified by reference to invoices and other data on file, it will be obvious from the foregoing remarks that an apportionment of the major part of the expenses as between Doublemint and other brands was impossible from the records. Moreover, the method of apportionment adopted by the Wrigley Company in its accounting takes no cognizance of brands of gum other than the three principal ones of Doublemint, Spearmint and Juicy Fruit, nor of the fact that the name "Wrigley" was so prominently displayed in the advertisements as to provide very little space for the individual products.

The method of displaying the trade name and the prominence of that and the business in general as compared with the space alloted to individual brands of gum will be seen by reference to the impounded records containing photographs or copies of advertisements. That portion of the advertising expense applicable to the trade name, constituting as it does the value attaching to the name and good will of the Wrigley business which the Wrigley Company retains, should not, in our opinion, be considered as an expense for the purpose of the Doublemint accounting.

In other words there should be deducted from the total advertising expenses the proportion thereof assignable to good will and the balance prorated on the basis of relative sales in keeping with the Court's instructions to make "proportion deductions for Overhead, Advertising and other proper expenses." Whether this residual value retained by the Wrigley Company is fifty or some other percentage of the total advertising expenses is a question of opinion rather than a rule of accounting as we are
7765 not aware of any accounting formula by which the amount can be determined.

On the assumption that 50% of the amount expended for advertising each year represents the cost of advertising specific brands of gum and that the remaining 50% should be regarded as expenditures made for the purpose of building up trade names and good will and assuming also that the benefits derived from this latter expenditure would extend over a period of three years subsequent to the time the expenditures were made, an assumption which, in our opinion, appears reasonable, the amount of advertising to be taken up as an expense chargeable to all brands during the period would be $5,505,340.97 and the proportion thereof chargeable to Doublemint based on the proportion of Doublemint sales to all sales would aggregate $874,860.31. Details of this calculation and the amount carried forward to be absorbed during the period subsequent to November 12, 1918, will be found by reference to Exhibit O.

In our statements of profits on Doublemint submitted herewith, however, we have absorbed the entire advertising expense and apportioned it on the basis of relative sales. That is to say, we have made no allowance for the residual value of advertising. The proportion chargeable to Doublemint on this basis is $1,017,183.59, whereas the amount charged to Doublemint in the accounting filed by the Wrigley Company was $2,794,651.76, a difference of $1,777,468.17.

Proportion of Amount Paid for United Profit Sharing Coupons—(Exhibit D):

Contingent Liability for Unredeemed United Profit Sharing Coupons—(Exhibit E):

It is assumed from the testimony taken in the case and from the report of Marwick, Mitchell & Co., that all parties interested in the case, including the Court, the Master and Counsel, will understand the nature of this expense and therefore it seems unnecessary to say that the coupons in question are furnished by the United Profit Sharing Corporation and redeemed by them in merchandise after being issued by the Wrigley Company as a wrapper of its gum or in the case of No. 5 and No. 25 coupons given to dealers and to jobbers' salesmen as rebates or commissions, or that the Wrigley Company finally redeems the coupons 7766 from the United Profit Sharing Corporation in cash on the basis of $3.00 per M No. 1 units. These facts being acknowledged, the only question is as to whether the proportion charged to Doublemint by the Wrigley Company in its accounting is substantially correct.

In the first place, we have accepted as correct the percentages worked out by the Wrigley Company as being the ratio of Doublemint sold with United Profit Sharing Coupons to all coupons issued, as these percentages were apparently confirmed by Messrs. Marwick, Mitchell & Co. On this basis the charge against Doublemint for its proportion of amount paid for United Profit Sharing Coupons redeemed is correct with the exception of two errors, as shown on Exhibit D, the correction of which has the effect of increasing the charge to Doublemint by the sum of $2,564.85.

Regarding the charge in respect of the liability for unredeemed coupons, the Wrigley Company did not make any provision in its books for unredeemed coupons until the end of 1916 when $475,300.70 was set up. At the end of 1917, this Reserve was increased to $880,448.67 and at December 18, 1918, to $2,499,967.09, the latter figure being based on 60% of redeemable value of all coupons issued and not redeemed at that date. In the Doublemint accounting, however, the company ignored the books and substituted a reserve based on 50% of redeemable value of coupons unredeemed in lieu of the book reserve based on 60% thereof.

From a compilation of coupons issued, redeemed and unredeemed, since they were first issued by Wrigley Com-

pany in September 1914, to December 31, 1918, prepared by Messrs. Marwick, Mitchell & Co. from the Company's records, a summary of which is attached marked Exhibit N, it appears that the Company has redeemed only 26.30% of all coupons issued. It will also be seen from this statement that the percentages of redemptions to coupons issued were 31.25% in 1916, 31.31% in 1917 and 27.17% in 1918, and that whereas the number of coupons issued in 1917 were 23.49% greater than in 1916, the redemptions increased approximately the same, viz: 23.72%. In 1918, as compared with 1917, the number issued increased 2.60%, whereas the redemptions fell off 10.93%, which would indicate that the ratios of redemptions to issues for
7767 1917 and 1918 are about normal.

Another fact disclosed by this statement which seems to support the conclusion that the ratios of redemption in 1917 and 1918 are not far from being correct, is the fact that if we assume that no coupons issued in 1918 were redeemed until 1919 and subsequently, or in other words, that all coupons redeemed to December 31, 1918, viz., 650,225,392 were issued prior to the year 1918, an assumption which is hardly in keeping with the facts, the ratio of coupons redeemed (650,225,392) is only 36.64% of coupons issued to December 31, 1917, (1,774,731,783).

It should be borne in mind that the No. 1 coupons, being the wrappers around a 5c. package of gum, are distributed through the retail trade throughout the country, while the premium stores, through which the coupons are redeemed, are located in the larger cities only, and for that reason perhaps a much smaller proportion would be redeemed than coupons issued, for example, by the United Cigar Stores which are, as a rule, conveniently located to coupon redemption stores. Another difference which should be considered in any comparison with coupons of the United Cigar Stores, is that every purchaser of Wrigley's gum receives a coupon whether it is wanted or not, whereas with the products of the United Cigar Stores, the coupons are taken by only those customers who desire to save them. In other words, a coupon is issued with each 5c. package of gum sold, but this is not the case with merchandise bought from the United Cigar Stores.

In view of these facts and giving due consideration to the experience of the company during the 4-1/3 years prior to December 1918, when on y 26.30% of coupons issued were redeemed, it would appear that a reserve based on 33-1/3% of redeemable value of coupons issued would be ample to provide for all coupons to be presented for redemtpion. On this basis the proportion of contingent liability for unredeemed coupons, chargeable to Doublemint, as compared with the proportion charged by the Wrigley Company, would be as follows:

Doublemint's proportion, according to the accounting prepared by the Wrigley Company	$317,581.15
Doublemint's proportion, based on 33-1/3% of redeemable value	98,580.79
Making a reduction of	$219,000.36

7768 Trade Discounts—Allowance to Jobbers—(Exhibit G)

Allowances to jobbers for trade discounts were taken up in the books during the period from August 1, 1914, to December 31, 1916, in "Advertising" account, from January to September 1917, in "Commission" account, and from October 1917 to December 1918, in "Trade Discounts" account. These amounts were taken up in the Doublemint accounting by the Wrigley Company as follows:

From August 1, 1914, to December 31, 1916, and the month of September 1918, under the caption Trade Discounts, Allowances to Jobbers, and apportioned to Doublemint on the basis of percentages said to represent the ratio of sales of Doublemint to total sales of Doublemint, Spearmint and Juicy Fruit Export combined for the reason, as Mr. Stanley says, the al'owances were made on those three brands only. These percentages are slightly higher than the percentages of Doublemint Sales to all sales on which basis the Overhead expenses are apportioned.

For the period from January 1, 1917, to December 31, 1918, (except the month of September 1918, as indicated above) Trade Discounts were included in Overhead and apportioned on the basis of the ratio of Doublemint sales

to all sales. In our calculations we have transferred from Trade Discounts to Overhead the amount charged under the former caption for September 1918, as there seemed to be no reason for treating the Trade Discount expense for September 1918 in any different manner than for the periods immediately preceding and following that date. This has the effect of decreasing the amount charged to Doublemint as Trade Discounts by the sum of $3,004.49 and increasing the charge to Doublemint under Overhead by 19.8089% of $13,631.92 or $2,700.33.

As previously stated, Mr. Stanley claimed that the allowances up to December 31, 1916, were made on Doublemint, Spearmint and Juicy Fruit only and for that reason he apportioned the charge on percentages which were greater than the ratio of Doublemint sales to all sales. If it should be decided that Allowances to Jobbers for the period to December 31, 1916, should be apportioned on the same basis as similar allowances after that date and thus treat the expense consistently throughout the account-
7769 ing period, the amount chargeable to Doublemint should be further reduced by the sum of $5,784.07.

Loss on Sale of Merchandise with Doublemint—(Exhibit H)

Loss on sale of merchandise with Doublemint during the period under review, according to Wrigley Company's accounting filed with the Master was..... $38,166.27
Whereas the loss should be..... 12,258.41

Making a decrease in the loss of..... $25,907.86

This difference arose through errors made in the original statement as follows:

Failure to provide for amount paid for Stamps at 4c. per box..... $119,802.64
Error in calculating the proceeds of sale of No. 869 Refrigerators..... 28,442.70

$148,245.34
Less Sundry other small items..... 3,807.70

Net decrease in Loss on Merchandise sold with all brands..... $144,437.64

Doublemint's proportion of this decrease in the loss, based on percentage of Doublemint sales to all sales, the ratio used by the Wrigley Company is $25,907.86, as follows:

Year 1915	$ 17,659.10
Year 1916	8,758.92
Year 1917	*554.34*
January 1 to August 31, 1918	42.62
September 1 to October 4	1.56
	$ 25,907.86

We feel sure the Wrigley Company will agree to these corrections and consent to amend their accounting filed with the Master accordingly.

Interest on Capital Invested—(Exhibit I):

The amount of interest charged in the accounting prepared by the Wrigley Company against Doublemint was arrived at in the main by adding tangible assets (exclusive of Van Buren Street real estate), less liquid liabilities and the Reserve for Depreciation at beginning and end of the year, and dividing this sum by two. The result is stated as the average invested capital for the year, which is multiplied by 7%, rate of interest. The company, however, 7770 excludes from the assets all Notes Receivable, Investments in affiliated companies, such as the Canadian and Australian Companies, and certain other investments in stocks and bonds, and from the liabilities, the reserves for Federal Taxes and for Redemption of United Profit Sharing Coupons.

The statements prepared for the several years of the accounting period are not consistent as to the items included and excluded from assets. For example, the amount of $9,000.00 invested in Wrigley, Ltd., London, was included in invested capital for the years 1914, 1915, but excluded in 1916 and thereafter; U. S. Liberty Loan 3-1/2% and 4% Bonds owned at December 18, 1917, are included, but one year French Treasury Notes owned at December 18, 1916, are excluded from Invested Capital.

From the amount of interest arrived at in the manner outlined above, viz., by taking 7% of the so-called average invested capital, the company deducts receipts from tenants and interest on liberty bonds, and the balance is multiplied by the following percentages, the result being the amount of interest charged to Doublemint, viz.:

Period	Percentage	Amount Charged to Doublemint
1914	18.6887	$ 26,642.00
1915	20.37079	78,049.77
1916	17.2101	68,651.52
1917	15.2740	72,061.20
January 1 to August 31, 1918	15.1778	49,873.26
September 1 to October 4, 1918	20.9611	11,067.63
		$ 306,345.38

The decree instructs that expenses and outlays only shall be deducted in ascertaining profits on Doublemint sales and inasmuch as the items of interest charged by the Wrigley Company in its accounting do not represent expenses or outlays, nor even entries recorded in the books, the items should be disallowed. Furthermore, there is a fundamental principle generally accepted by the commercial world that interest is, in effect, an appropriation of profits and since the profits from Doublemint have been held to belong to the Larson Company a deduction of a part of these profits is not permissible.

7771 We understand, moreover, that Mr. Wm. Wrigley, Jr., testified that no additional facilities were required for the manufacture of Doublemint and that the evidence shows that Doublemint was sold at the same price, through the same jobbers and on the same terms, viz., 2% ten days, thirty days net. It is apparent that under the terms of sale any money invested in the manufacture and sale of Doublemint gum was returned to the Wrigley Company with the profit thereon within, say ninety days—probably on an average within sixty days. After the first few months therefore, the manufacture and sale of Doublemint

was carried on with the profits withheld from the Larson Company, hence if the Wrigley Company is entitled to any interest at all, it should be restricted to the amount of interest on the capital actually employed in the manufacture and only for the time so employed.

Interest on Capital Invested in Patents and Patent Rights—(Exhibit J):
Depreciation of Patents and Patent Rights (Exhibit K):

The amount now standing on the books of Wm. Wrigley, Jr., Co. as the value of Patents and Patent Rights, viz., $1,500,000.00, represents a segregation as of December 1918 of an account theretofore carried for a period commencing prior to the Doublemint accounting period as "Patents, Patent Rights, Goodwill and Franchises," amounting to $7,500,000.00. Since there were no special patents or patent rights obtained for the manufacture of Doublemint and inasmuch as the production and sale of Doublemint was in violation of the rights of the Larson Company there is no justification for charging Doublemint with any interest on capital invested in, or depreciation of, Patents and Patent Rights. The amounts, viz., $49,181.15 Interest and $64,267.43 Depreciation, should therefore be disallowed.

Income and Excess Profits Taxes—(Exhibit L):

The total amount charged against Doublemint in the Wrigley Company's accounting for Income and Excess Profits Taxes if $563,933.89 (being for the years 1917 and 1918) and is calculated on the basis of 60%. The reason for calculating these taxes at the highest rate of tax under the law in effect in 1917 is contained in the following footnote to the Wrigley Company's statement:

7772 "We have deducted taxes upon the assumption that the Doublemint profits were the last., i. e., upon the supposition that the profits do not belong to us; however, if we ignore the profits as though not earned we were already in the 60% class (or peak) and the additional earnings for Doublemint would be in that class."

In our opinion, no deduction from profits on Doublemint for Income and Excess Profits Taxes should be permitted in the accounting for the sufficient reason that the Larson Company will be required to pay Federal Taxes on whatever amount they recover as a result of this litigation in the year in which they receive it. The Wrigley Company's remedy is to seek reimbursement from the Government of any overpayment of taxes by reason of having included in its return profits which belong to the Larson Company.

Loss by Fire at Belize—(Exhibit M):

In November, 1918, the Wrigley Company wrote off in its books a loss of $13,284.58, representing the value of mess pork destroyed by fire at Belize, British Honduras, on August 17, 1918, the amount being charged to "Accounts Receivable Closed." This pork, we understand, was in storage for delivery to Chicle contractors as needed by them.

The Wrigley Company in its accounting has charged Doublemint twice with a proportion of this loss as follows:

In Overhead, being included in the item of "Accounts Receivable Closed," twelve-thirtieths of $13,284.58, or $5,313.83 at Doublemint's proportion of 2.54335% $ 135.15
and also Item No. 34 of Adjustment Statement
15.1778% of $11,202.57 ..... 1,700.30

making a total charge to Doublemint of $1,835.45

We have disallowed both of these items for the reason that in the first place it is improbable that any Chicle obtained in British Honduras after August 17, 1918, was used in the manufacture of gum sold in the enjoined wrapper. In any event, if any such Chicle was used, the loss in question would be chargeable to the Chicle and thus become a part of the manufacturing cost, which cost has been agreed upon.

* * * * * *

7773 While we have excluded from our statements of profits on sales of Doublemint all interest on capital which the Wrigley Company charged in its statement of accounting, we have not included any amount for interest accruing to the Larson Company on profits withheld by the Wrigley Company. In this connection, we are advised by Mr. Aldrich that ordinarily interest is to be allowed only from the date when the Master's report is filed, but that in view of the court's findings with reference to the conduct of the Wrigley Company, interest is to be allowed from the date when that Company ceased infringement of the Larson dress, viz., November 12, 1918. We have made no calculation of the amount but when the amount of profits on Doublemint have been adjudicated and the rate of interest determined, the amount of interest will be easily ascertained.

CONCLUSION

During the period from January 1, 1914, to December 18, 1918, the Wrigley Company paid cash dividends aggregating $7,887,500.00 as follows:

Year 1914	$1,215,000.00
Year 1915	1,065,000.00
Year 1916	1,440,000.00
Year 1917	2,077,500.00
Year 1918	2,090,000.00
Total	$7,887,500.00

and added to its Surplus during the same period the sum of $2,066,367.23 making a total profit of $9,953,867.23 after paying Federal income and excess profits taxes and after setting aside the sum of $2,499,967.09 for redemption of outstanding United Profit Sharing Coupons. This provision for outstanding coupons as previously stated is calculated on the basis of 60% of redeemable value of all coupons issued and not redeemed, whereas the experience of the Company during the four and one-third years prior to December 1918 indicates that a reserve based on 33-1/3% of coupons issued would be sufficient to redeem the coupons to be presented for redemption. On this basis, the book reserve is overstated approximately $2,000,000.00, so that

the additions to Surplus during the five years 1914 to 1918 inclusive, distributed and undistributed, would be approximately $11,953,867.23. This period of five years,
7774 however, includes about seven and one-half months in 1914 and one month and a few days in 1918 in the profits of which the Larson Company is not interested. The profits for these two broken periods are not available for the reason that inventories were not taken at July 28, 1914, and November 12, 1918, the beginning and end of the infringing period, but if for the sake of argument, we allow $953,000.00 as representing the profits for these two periods in which the Larson Company is not concerned, we would have remaining $11,000,000.00 to represent the profits during the period of infringement after the payment of Federal Income and Profits Taxes.

We understand the officials of the Company have testified that the cost of manufacture of Doublemint was the same as other leading brands of gum sold by the Wrigley Company, and that the gum was sold through the same agencies at the same price and subject to the same discounts. It is, therefore, obvious that the Company could not have lost during the period of infringement the sum of $272,627.53, which the Wrigley Company claims to be the results from the sales of Doublemint gum aggregating $8,917,286.90 and attained the above results.

It will be understood that wherever "Wm. Wrigley Co." and "The Wrigley Co." appear in this report they relate to the Wm. Wrigley Jr., Co.

Yours very truly,
Tonche Niven & Co.

Filed
Jan 7, 1925
At....o'clock....M
John H. R. Jamar
Clerk

EXHIBIT A

WRIGLEY VS. LARSON

SUMMARY OF PROFITS OF WM. WRIGLEY, JR., CO. FOR THE PERIOD FROM JULY 28, 1914, TO NOVEMBER 12, 1918, SHOWING (1) THE PROPORTION THEREOF ALLOCATED TO DOUBLEMINT IN ACCOUNTING FILED BY THE WRIGLEY CO., (2) THE PROPORTION AS DETERMINED BY TOUCHE, NIVEN & CO., AND (3) THE DIFFERENCES BETWEEN THESE STATEMENTS

	All Brands per books	Doublemint Proportion		
		Wrigley Co.'s Statement	Per Audit of Touche, Niven & Co.	Reduction or *Increase*
July 28, to December 31, 1914, Schedule A-1	$ 183,027.47	*$309,019.72*	$ 102,887.19	*$ 411,906.91*
Year 1915, Schedule A-2	1,408,187.46	*264,014.21*	463,428.02	*727,442.23*
Year 1916, Schedule A-3	2,326,255.75	*53,498.82*	613,016.02	*666,514.84*
Year 1917, Schedule A-4	2,522,906.32	155,872.94	831,761.28	*675,888.34*
January 1 to August 31, 1918, Schedule A-5	2,183,224.98	165,953.62	704,512.60	*538,558.98*
September 1 to October 4, 1918, Schedule A-6	*53,507.33*	26,325.19	114,872.13	*88,546.94*
October 5 to November 12, 1918, Schedule A-7	168,397.95	5,753.47	10,051.50	*4,298.03*
	$8,738,492.60	*$272,627.53*	$2,840,528.74	*$3,113,156.27*

Larson Exhibit No. 132.

EXHIBIT A-1

WRIGLEY VS. LARSON

STATEMENT OF SALES, COST OF SALES, EXPENSES AND NET PROFIT OF WM. WRIGLEY JR. CO. FOR THE PERIOD JULY 28 TO DECEMBER 31, 1914, AND THE PROPORTION THEREOF ACCRUING TO DOUBLEMINT.

	All Brands Per Books	Doublemint Proportion			Reference for particulars of reductions or increases
		Per Wrigley Co.'s Statement	Per Audit of Touche, Niven & Co.	Reduction or *Increase*	
SALES	$3,522,732.30	$570,426.40	$570,426.40	$.....	
COST OF SALES	1,776,139.05	238,623.67	238,623.67	.....	
GROSS PROFIT	$1,746,593.25	$331,802.73	$331,802.73	$.....	
EXPENSES:					
Overhead (Exhibit B-1)	$ 437,585.57	$ 70,857.04	$ 54,999.09	$ 15,857.95	Exhibit B-4
Advertising	850,091.75	478,688.78	137,526.50	341,162.28	" C
Amount paid for United Profit Sharing Coupons	5,629.60	3,341.87	1,341.87	.....	" D
Contingent liability for unredeemed United Profit Sharing Coupons	222,751.11	44,022.23	28,900.86	15,121.37	" E
Printing United Profit Sharing Coupons	2,352.66	560.78	560.78	.....	" F
Trade Discounts—Allowances to Jobbers	28,672.95	5,586.44	5,586.44	.....	
Interest on Capital invested in business	.....	26,642.00	.....	26,642.00	" I
Interest on Capital invested in Patents and Patent Rights	.....	6,252.47	.....	6,252.47	" J
Depreciation of Patents and Patent Rights	36,764.70	6,870.84	.....	6,870.84	" K
Real Estate Income	*20,282.56*	.....	.....	.....	
Total Expenses	$1,563,565.78	$640,822.45	$228,915.54	$411,906.91	
NET PROFIT OR *LOSS*	$ 183,027.47	*$309,019.72*	$102,887.19	*$411,906.91*	

Larson Exhibit No. 132.

EXHIBIT A-2

WRIGLEY VS. LARSON

STATEMENT OF SALES, COST OF SALES, EXPENSES AND NET PROFIT OF WM. WRIGLEY JR. CO. FOR THE YEAR 1915, AND THE PROPORTION THEREOF ACCRUING TO DOUBLEMINT

	All Brands Per Books	Doublemint Proportion: Per Wrigley Co's. Statement	Doublemint Proportion: Per Audit of Touche, Niven & Co.	Doublemint Proportion: Reduction or *Increase*	Reference for particulars of reductions or increases
Sales	$9,717,145.33	$1,816,332.08	$1,816,332.08	$.....	
Cost of Sales	4,865,147.99	788,715.00	788,715.00	.....	
Gross Profit	$4,851,997.34	$1,027,617.08	$1,027,617.08	$.....	
Expenses:					
Overhead (Exhibit B-1)	$ 931,444.18	$ 174,928.46	$ 153,286.25	$ 21,642.21	Exhibit B-4
Advertising	1,564,150.43	822,243.30	290,810.58	531,432.72	" C
Amount paid for United Profit Sharing Coupons	221,079.29	48,537.27	48,537.27	.....	" D
Contingent liability for unredeemed United Profit Sharing Coupons	529,405.55	88,668.84	43,000.27	45,668.57	" E
Printing United Profit Sharing Coupons	5,896.40	1,212.52	1,294.54	*82.02*	" F
Trade Discounts—Allowances to Jobbers	108,206.79	22,956.39	22,957.09	*.70*	" G
Loss on Sale of Merchandise sold with Doublemint	.....	21,962.16	4,303.06	17,659.10	" H
Interest on Capital invested in business	.....	78,049.77	.....	78,049.77	" I
Interest on Capital invested in Patents and Patent Rights	.....	15,098.35	.....	15,098.35	" J
Depreciation of Patents and Patent Rights	88,235.29	17,974.23	.....	17,974.23	" K
Real Estate Income	*12,215.49*	.....	.....	.....	
Income and Excess Profits Taxes	20,488.23	.....	.....	.....	
Peon Molina Concession	23,276.46	.....	.....	.....	
Guatemala Concession	*36,157.25*	.....	.....	.....	
Total Expenses	$3,443,809.88	$1,291,631.29	$ 564,189.06	$ 727,442.23	
Net Profit or *Loss*	$1,408,187.46	$ *264,014.21*	$ 463,428.02	$ *727,442.23*	

Larson Exhibit No. 132.

EXHIBIT A-3

WRIGLEY VS. LARSON

STATEMENT OF SALES, COST OF SALES, EXPENSES AND NET PROFIT OF WM. WRIGLEY JR. CO. FOR THE YEAR 1916, AND THE PROPORTION THEREOF ACCRUING TO DOUBLEMINT

	All Brands Per Books	Doublemint Proportion			Reference for particulars of reduction or increases
		Per Wrigley Co's. Statement	Per Audit of Touche, Niven & Co.	Reduction or *Increase*	
Sales	$12,482,342.87	$2,049,964.85	$2,049,964.85	$.....	
Cost of Sales	6,300,508.96	885,984.13	885,984.13	.....	
Gross Profit	$6,181,833.91	$1,163,980.72	$1,163,980.72	$.....	
Expenses:					
Overhead (Exhibit B-1)	$1,184,883.64	$ 200,383.85	$ 176,242.73	$ 24,141.12	Exhibit B-4
Advertising	1,452,828.77	719,854.52	233,812.40	486,042.12	" C
Amount paid for United Profit Sharing Coupons	516,306.42	98,505.24	98,505.24	.....	" D
Contingent liability for unredeemed United Profit Sharing Coupons	475,102.33	59,119.11	6,577.66	52,541.45	" E
Printing United Profit Sharing Coupons	8,783.26	1,177.32	1,675.74	*498.42*	" F
Trade Discounts—Allowances to Jobbers	130,783.90	23,448.07	23,448.07	.....	
Loss on Sale of Merchandise sold with Doublemint	.....	19,461.78	10,702.86	8,758.92	" H
Interest on Capital invested in business	.....	68,651.52	.....	68,651.52	" I
Interest on Capital Invested in Patents and Patent Rights	.....	11,692.75	.....	11,692.75	" I
Depreciation of Patent and Patent Rights	88,235.29	15,185.38	.....	15,185.38	" K
Real Estate Income	*20,612.32*	.....	.....	.....	
Income and Excess Profits Taxes	51,563.78	.....	.....	.....	
Guatemala Concession	*678.96*	.....	.....	.....	
Dividend on Stock of Wm. Wrigley Jr. Co., Ltd.	*30,000.00*	.....	.....	.....	
Investment Bond Interest	*1,617.95*	.....	.....	.....	
Total Expenses	$3,855,578.16	$1,217,479.54	$ 550,964.70	$ 666,514.84	
Net Profit or *Loss*	$2,326,255.75	$ *53,498.82*	$ 613,016.02	$ *666,514.84*	

EXHIBIT A-4

WRIGLEY VS. LARSON

STATEMENT OF SALES, COST OF SALES, EXPENSES AND NET PROFIT OF WM. WRIGLEY JR. CO. FOR THE YEAR 1917, AND THE PROPORTION THEREOF ACCRUING TO DOUBLEMINT

	All Brands Per Books	Doublemint Proportion: Per Wrigley Co's. Statement	Doublemint Proportion: Per Audit of Touche, Niven & Co.	Reduction or *Increase*	Reference for particulars of reductions or increases
Sales	$15,713,657.84	$2,348,003.49	$2,348,003.49	$.....	
Cost of Sales	7,512,910.91	980,825.65	980,825.65	.....	
Gross Profit	$8,200,746.93	$1,367,177.84	$1,367,177.84	$.....	
Expenses:					
Overhead (Exhibit B-1)	$1,527,154.92	$ 231,557.09	$ 210,056.42	$ 21,500.67	Exhibit B-4
Advertising	1,439,736.90	448,246.59	203,164.62	245,081.97	" C
Amount paid for United Profit Sharing Coupons	638,750.19	105,264.13	105,264.13	.....	" D
Contingent liability for unredeemed United Profit Sharing Coupons	585,492.75	63,025.21	6,820.09	56,205.12	" E
Printing United Profit Sharing Coupons	11,874.88	1,956.95	1,956.95	.....	" F
Trade Discounts—Allowances to Jobbers	13,054.42	2,091.25	2,091.25	.....	
Loss on Sale of Merchandise sold with Doublemint	.....	5,508.76	6,063.10	*554.34*	" H
Interest on Capital invested in buisness	.....	72,061.20	.....	72,061.20	" I
Interest on Capital invested in Patents and Patent Rights	.....	9,433.94	.....	9,433.94	" J
Depreciation of Patents and Patent Rights	88,235.29	13,477.06	.....	13,477.06	" K
Real Estate Income	68,711.07	.....	.....	.....	
Income and Excess Profits Taxes	1,362,643.26	258,682.72	.....	258,682.72	" L
Investment Bond Interest	*11,998.24*	.....	.....	.....	
Export Material Profit	*15,814.83*	.....	.....	.....	
Dividends on Subsidiary Companies' Stock	*30,000.00*	.....	.....	.....	
Total Expenses	$5,677,840.61	$1,211,304.90	$ 535,416.56	$ 675,888.34	
Net Profit	$2,522,906.32	$ 155,872.94	$ 831,761.28	$ *675,888.34*	

Larson Exhibit No. 132. 4164

EXHIBIT A-5

WRIGLEY VS. LARSON

STATEMENT OF SALES, COST OF SALES, EXPENSES AND NET PROFIT OF WM. WRIGLEY, JR., CO. FOR THE PERIOD JANUARY 1 TO AUGUST 31, 1918, AND THE PROPORTION THEREOF ACCRUING TO DOUBLEMINT.

	All Brands Per Books	Doublemint Proportion: Per Wrigley Co's. Statement	Doublemint Proportion: Per Audit of Touche, Niven & Co.	Reduction or *Increase*	Reference for particulars of reductions or increases
Sales	$12,156,747.27	$1,772,376.02	$1,772,376.02	$.....	
Cost of Sales	5,687,124.72	699,848.69	699,848.69	.....	
Gross Profit	$ 6,469,622.55	$1,072,527.33	$1,072,527.33	$.....	
Expenses:					
Overhead (Exhibit B-1)	$1,167,998.95	$ 180,435.75	$ 163,894.02	$ 16,541.73	Exhibit B-4
Advertising	991,747.98	294,909.06	130,003.66	164,905.40	" C
Amount paid for United Profit Sharing Coupons	385,623.59	63,333.18	65,883.79	*2,550.61*	" D
Contingent liability for unredeemed United Profit Sharing Coupons	455,861.75	55,905.37	13,987.19	41,918.18	" E
Printing United Profit Sharing Coupons	7,832.18	1,338.13	1,338.13	.....	" F
Loss on Sale of Merchandise sold with Doublemint	.....	*7,049.44*	*7,092.06*	42.62	" H
Interest on Capital invested in business	.....	49,873.26	.....	49,873.26	" I
Interest on Capital invested in Patents and Patent Rights	.....	5,408.97	.....	5,408.97	" J
Depreciation of Patents and Patent Rights	57,050.76	8,704.91	.....	8,704.91	" K
Real Estate Income	*4,867.74*	.....	.....	.....	
Income and Excess Profits Taxes	1,359,508.42	252,014.22	.....	252,014.22	" L
Investment Bond Interest	*31,042.90*	.....	.....	.....	
Dividends on Subsidiary Companies' Stock	*116,600.00*	.....	.....	.....	
Loss by Fire at Belize August 17, 1918	13,284.58	1,700.30	.....	1,700.30	" M
Total Expenses	$4,286,397.57	$ 906,573.71	$ 368,014.73	$ 538,558.98	
Net Profit	$2,183,224.98	$ 165,953.62	$ 704,512.60	$ *538,558.98*	

Larson Exhibit No. 132.

EXHIBIT A-6

WRIGLEY VS. LARSON

STATEMENT OF SALES, COST OF SALES, EXPENSES AND NET PROFIT OF WM. WRIGLEY JR. CO. FOR THE PERIOD SEPTEMBER 1 TO OCTOBER 4, 1918, AND THE PROPORTION THEREOF ACCRUING TO DOUBLEMINT

	All Brands Per Books	Doublemint Proportion			Reference for particulars of reductions or increases
		Per Wrigley Co's. Statement	Per Audit of Touche, Niven & Co.	Reduction or *Increase*	
Sales	$1,332,290.23	$ 316,269.31	$ 316,269.31	$.....	
Cost of Sales	822,314.31	147,042.08	147,042.08	.....	
Gross Profit	$ 509,975.92	$ 169,227.23	$ 169,227.23	$.....	
Expenses:					
Overhead (Exhibit B-1)	$ 164,218.18	$ 32,529.81	$ 27,072.46	$ 5,457.35	Exhibit B-4
Advertising	90,703.97	30,709.51	16,264.05	14,445.46	" C
Amount paid for United Profit Sharing Coupons	66,613.44	13,339.02	13,353.26	*14.24*	" D
Contingent liability for unredeemed United Profit Sharing Coupons	46,957.77	6,840.39	*705.28*	7,545.67	" E
Printing United Profit Sharing Coupons	444.80	89.16	89.16	.....	" F
Trade Discounts—Allowances to Jobbers	.....	3,005.19	.....	3,005.19	" G
Loss on Sale of Merchandise sold with Doublemint	.....	*1,716.99*	*1,718.55*	1.56	" H
Interest on Capital invested in business	.....	11,067.63	.....	11,067.63	" I
Interest on Capital invested in Patents and Patent Rights	.....	1,294.67	.....	1,294.67	" J
Depreciation of Patents and Patent Rights	9,669.62	2,055.01	.....	2,055.01	" K
Real Estate Income	*515.64*	.....	.....	.....	
Income and Excess Profits Taxes	191,866.11	43,688.64	.....	43,688.64	" L
Investment Bond Interest	*6,475.00*	.....	.....	.....	
Total Expenses	$ 563,483.25	$ 142,902.04	$ 54,355.10	$ 88,546.94	
Net Profit or *Loss*	$ *53,507.33*	$ 26,325.19	$ 114,872.13	$ *88,546.94*	

Larson Exhibit No. 132. 4166

EXHIBIT A-7

WRIGLEY VS. LARSON

STATEMENT OF SALES, COST OF SALES, EXPENSES AND NET PROFIT OF WM. WRIGLEY, JR., CO. FOR THE PERIOD OCTOBER 5 TO NOVEMBER 12, 1918, AND THE PROPORTION THEREOF ACCRUING TO DOUBLEMINT

	All Brands Per Books	Doublemint Proportion			Reference for particulars of reductions or increases
		Per Wrigley Co's. Statement	Per Audit of Touche, Niven & Co.	Reduction or *Increase*	
Sales	$1,827,036.73	$ 43,914.75	$ 43,914.75	$	
Cost of Sales	814,636.02	23,558.36	23,558.36	.....	
Gross Profit	$1,012,400.71	$ 20,356.39	$ 20,356.39	$	
Expenses:					
Overhead (Exhibit B-1)	$ 266,467.12	$ 5,054.61	$ 4,703.11	$ 351.50	Exhibit B-4
Advertising	227,345.75	.....	5,601.78	*5,601.78*	" C
Amount paid for United Profit Sharing Coupons	66,931.10	.....	.....	.....	
Contingent liability for unredeemed United Profit Sharing Coupons	62,785.05	.....	.....	.....	
Depreciation of Patents and Patent Rights	9,535.01	.....	.....	.....	
Real Estate Income	1,009.53	.....	.....	.....	
Income and Excess Profits Taxes	215,986.41	9,548.31	.....	9,548.31	" L
Investment Bond Interest	*6,057.21*	.....	.....	.....	
Total Expenses	$ 844,002.76	$ 14,602.92	$ 10,304.89	$ 4,298.03	
Net Profit	$ 168,397.95	$ 5,753.47	$ 10,051.50	$ *4,298.03*	

Larson Exhibit No. 132. 4167

EXHIBIT B
WRIGLEY VS. LARSON

STATEMENT OF OVERHEAD EXPENSES (BY PERIODS) OF WM. WRIGLEY JR. CO. FROM JULY 28, 1914, TO NOVEMBER 12, 19
(a) THE FIGURES INCLUDED IN THE STATEMENT OF ACCOUNTING PREPARED BY WM. WRIGLEY JR. CO., (b) THE TOTA
AT BY US AND (c) THE DIFFERENCES

	July 28 to December 31, 1914			Year 1915			Year 1916			Year 1917			January 1 t
	Per Wrigley Co's. Statement	Our Figures	Reduction or *Increase*	Per Wrigley Co's. Statement	Our Figures	Reduction or *Increase*	Per Wrigley Co's. Statement	Our Figures	Reduction or *Increase*	Per Wrigley Co's. Statement	Our Figures	Reduction or *Increase*	Per Wrigley Co's. Statement	C Fig
Discount	$ 51,871.31	$ 51,871.31	$.....	$149,724.49	$149,724.49	$.....	$ 193,730.52	$ 193,730.52	$.....	$ 261,551.44	$ 261,551.44	$.....	$ 206,159.12	$ 2
Exchange	3,268.22	3,268.22	.....	8,533.44	8,533.44	.....	8,337.96	8,337.96	.....	7,868.39	7,868.39	.....	6,406.46	
Freight—Out	69,984.25	69,984.25	.....	193,801.09	193,801.09	.....	266,481.46	266,481.46	.....	310,670.14	310,670.14	.....	235,360.15	2
Express	18,913.25	18,913.25	.....	42,043.52	42,043.52	.....	54,911.45	54,911.45	.....	71,938.05	71,938.05	.....	35,702.29	
Rent	6,175.00	6,175.00	.....	15,330.00	15,330.00	.....	18,260.00	18,260.00	.....	18,960.00	18,960.00	.....	13,000.00	
Real Estate Taxes	14.28	4,329.71	*4,315.43*	13,165.91	8,684.74	4,481.17	11,774.83	9,443.29	2,331.54	12,787.12	9,561.44	3,225.68	13,004.66	
Postage	31,436.58	31,436.58	.....	31,959.04	31,959.04	.....	29,847.60	29,847.60	.....	26,031.32	26,031.32	.....	11,696.96	
Administration	49,999.93	18,749.93	31,250.00	107,416.69	32,416.69	75,000.00	107,431.66	32,431.66	75,000.00	113,816.00	38,816.00	75,000.00	80,666.72	
Commission	4,898.81	4,898.81	.....	14,823.09	14,823.09	.....	18,378.45	18,378.45	.....	132,324.65	132,324.65	.....	*472.04*	
Expense	52,777.92	18,790.77	33,987.15	42,058.75	8,610.72	33,448.03	26,529.99	*11,131.93*	37,661.92	69,346.53	34,347.38	34,999.15	46,630.57	
Audit Department Salaries	33,102.80	33,102.80	.....	97,180.40	97,180.40	.....	119,756.59	119,756.59	.....	147,317.60	147,317.60	.....	113,204.46	1
Circular Department Salaries	7,421.28	7,421.28	.....	21,989.85	21,989.85	.....	25,993.21	25,993.21	.....	25,282.05	25,282.05	.....	15,318.10	
Salesmen's Premium	13,964.51	13,964.51	.....	37,616.94	33,214.43	4,402.51	40,576.11	40,576.11	.....	56,181.35	56,181.35	.....	32,916.75	
Suspense	12,590.26	603.45	11,986.81	10,057.33	10,057.33	.....	14,495.78	14,495.78	.....	14,672.19	14,672.19	.....	*2,413.16*	
Agency	43,609.14	38,617.00	4,992.14	95,982.61	95,982.61	.....	160,163.79	160,163.79	.....	131,001.05	131,001.05	.....	59,403.16	
Accounts Receivable Closed	*110.60*	*110.60*	.....	38,215.28	38,215.28	.....	30,527.08	30,527.08	.....	*1,885.48*	*1,885.48*	.....	*890.35*	
Documentary Revenue Stamps	300.00	300.00	.....	1,867.11	1,867.11	.....	1,673.78	1,673.78	.....	.....	.....	.....	.....	
Interest	6,974.84	6,974.84	.....	*7,501.79*	*7,501.79*	.....	*11,652.28*	*46,917.70*	35,265.42	*14,404.02*	*36,913.75*	22,509.73	*17,866.29*	
Export Rebates	*1,039.03*	*1,039.03*	.....	*8,884.69*	*8,884.69*	.....	*1,800.77*	*1,800.77*	.....	*6,484.75*	*6,484.75*	.....	.....	
Profit on Claims	*1,604.18*	*1,604.18*	.....	*4,918.65*	*4,918.65*	.....	*7,057.94*	*7,057.94*	.....	*14,392.58*	*14,392.58*	.....	*12,786.24*	
Office Stationery, Circulars	10,054.10	10,054.10	.....	29,897.00	29,897.00	.....	90,709.61	90,709.61	.....	56,414.62	56,414.62	.....	8,413.84	
Advertising Miscellaneous	305.78	305.78	.....	1,119.92	1,119.92	.....	1,105.34	1,105.34	.....	819.00	819.00	.....	1,078.70	
War Tax on Sales	.....	.....	.....	.....	.....	.....	.....	.....	.....	66,166.09	66,166.09	.....	220,511.79	2
Insurance	3.01	3.01	.....	200.47	200.47	.....	.....	.....	.....	.....	.....	.....	.....	
Geo. F. Desbien	648.98	.....	648.98	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Paris Expense	2,780.63	225.55	2,555.08	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Paris Advertising Matter	679.60	.....	679.60	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Personal Property Taxes	.....	2,027.67	*2,027.67*	4,866.40	6,414.84	*1,548.44*	6,414.84	7,135.56	*720.72*	7,135.56	5,727.44	1,408.12	5,727.44	
Corporation Taxes	.....	389.58	*389.58*	1,550.00	1,550.00	.....	1,550.00	1,550.00	.....	3,462.50	3,462.50	.....	10,000.31	
Maintenance of Toronto Building	.....	.....	.....	*2,247.51*	*2,247.51*	.....	.....	.....	.....	.....	.....	.....	.....	
Canadian Business Profits Tax	.....	.....	.....	.....	.....	.....	12,000.00	12,000.00	.....	.....	.....	.....	.....	
Australian Organization Expense	.....	.....	.....	.....	.....	.....	10.00	10.00	.....	.....	.....	.....	.....	
Trade Discounts	.....	.....	.....	.....	.....	.....	.....	.....	.....	39,590.58	39,590.58	.....	109,786.97	
Capital Stock Tax	.....	.....	.....	.....	.....	.....	.....	2,541.38	*2,541.38*	13,495.25	6,747.62	6,747.63	11,591.50	
Brooklyn Moving Expense	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5,705.70	
Taxes on Essential Oil	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	323.95	
Depreciation of Furniture and Fixtures	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,455.36	
Detail Men	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Illinois Manufacturers Association	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Reserve for Taxes	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Depreciation on Buildings	18,564.90	.....	18,564.90	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
	$437,585.57	$339,653.59	$ 97,931.98	$935,846.69	$820,063.42	$115,783.27	$1,220,149.06	$1,073,152.28	$146,996.78	$1,549,664.65	$1,405,774.34	$ 143,890.31	$1,210,636.88	$1,

EXHIBIT B

WRIGLEY VS. LARSON

OF OVERHEAD EXPENSES (BY PERIODS) OF WM. WRIGLEY JR. CO. FROM JULY 28, 1914, TO NOVEMBER 12, 1918, SHOWING GURES INCLUDED IN THE STATEMENT OF ACCOUNTING PREPARED BY WM. WRIGLEY JR. CO., (b) THE TOTALS ARRIVED AND (c) THE DIFFERENCES

r 1915		Year 1916			Year 1917			January 1 to August 31, 1918			September 1 to October 4, 1918			October 5 to November 12, 1918		
Our ures	Reduction or *Increase*	Per Wrigley Co's. Statement	Our Figures	Reduction or *Increase*	Per Wrigley Co's. Statement	Our Figures	Reduction or *Increase*	Per Wrigley Co's. Statement	Our Figures	Reduction or *Increase*	Per Wrigley Co's. Statement	Our Figures	Reduction or *Increase*	Per Wrigley Co's. Statement	Our Figures	Reduction or *Increase*
724.49	$.....	$ 193,730.52	$ 193,730.52	$.....	$ 261,551.44	$ 261,551.44	$.....	$ 206,159.12	$ 206,159.12	$.....	$ 20,493.42	$ 20,493.42	.....	$ 26,336.03	$ 26,336.03	$.....
533.44	.....	8,337.96	8,337.96	.....	7,868.39	7,868.39	.....	6,406.46	6,406.46	.....	605.96	605.96	.....	651.35	651.35	.....
801.09	.....	266,481.46	266,481.46	.....	310,670.14	310,670.14	.....	235,360.15	235,360.15	.....	27,720.48	27,720.48	.....	39,960.45	39,960.45	.....
043.52	.....	54,911.45	54,911.45	.....	71,938.05	71,938.05	.....	35,702.29	35,702.29	.....	7,437.90	7,437.90	.....	5,973.54	5,973.54	.....
330.00	.....	18,260.00	18,260.00	.....	18,960.00	18,960.00	.....	13,000.00	13,000.00	.....	1,834.68	1,834.68	.....	2,065.32	2,065.32	.....
684.74	4,481.17	11,774.83	9,443.29	2,331.54	12,787.12	9,561.44	3,225.68	13,004.66	12,856.47	148.19	.....	1,814.39	*1,814.39*	.....	2,042.55	*2,042.55*
959.04	.....	29,847.60	29,847.60	.....	26,031.32	26,031.32	.....	11,696.96	11,696.96	.....	1,052.90	1,052.90	.....	1,102.78	1,102.78	.....
416.69	75,000.00	107,431.66	32,431.66	75,000.00	113,816.00	38,816.00	75,000.00	80,666.72	30,666.72	50,000.00	11,384.39	4,327.94	7,056.45	24,915.58	9,472.03	15,443.55
823.09	.....	18,378.45	18,378.45	.....	132,324.65	132,324.65	.....	*472.04*	*472.04*	.....	.....	.....	.....	.....	.....	.....
610.72	33,448.03	26,529.99	*11,131.93*	37,661.92	69,346.53	34,347.38	34,999.15	46,630.57	42,392.90	4,237.67	6,182.75	4,402.16	1,780.59	17,606.28	16,299.56	1,306.72
180.40	.....	119,756.59	119,756.59	.....	147,317.60	147,317.60	.....	113,204.46	113,204.46	.....	13,746.21	13,746.21	.....	17,680.90	17,680.90	.....
989.85	.....	25,993.21	25,993.21	.....	25,282.05	25,282.05	.....	15,318.10	15,318.10	.....	1,663.91	1,663.91	.....	1,866.54	1,866.54	.....
214.43	4,402.51	40,576.11	40,576.11	.....	56,181.35	56,181.35	.....	32,916.75	32,916.75	.....	6,056.57	6,056.57	.....	5,879.18	5,879.18	.....
057.33	.....	14,495.78	14,495.78	.....	14,672.19	14,672.19	.....	*2,413.16*	*2,413.16*	.....	*49.13*	*49.13*	.....	161.63	161.63	.....
982.61	.....	160,163.79	160,163.79	.....	131,001.05	131,001.05	.....	59,403.16	59,403.16	.....	11,283.88	7,264.65	4,019.23	7,018.40	7,616.86	*598.46*
215.28	.....	30,527.08	30,527.08	.....	*1,885.48*	*1,885.48*	.....	*890.35*	*890.35*	.....	*146.86*	*146.86*	.....	4,609.02	*704.81*	5,313.83
867.11	.....	1,673.78	1,673.78	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
501.79	.....	*11,652.28*	*46,917.70*	35,265.42	*14,404.02*	*36,913.75*	22,509.73	*17,866.29*	*60,504.22*	42,637.93	*4,815.05*	*4,815.05*	.....	*4,319.88*	*4,319.88*	.....
884.69	.....	*1,800.77*	*1,800.77*	.....	*6,484.75*	*6,484.75*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
918.65	.....	*7,057.94*	*7,057.94*	.....	*14,392.58*	*14,392.58*	.....	*12,786.24*	*12,786.24*	.....	*1,439.07*	*1,439.07*	.....	*1,884.08*	*1,884.08*	.....
397.00	.....	90,709.61	90,709.61	.....	56,414.62	56,414.62	.....	8,413.84	8,413.84	.....	.....	.....	.....	.....	.....	.....
119.92	.....	1,105.34	1,105.34	.....	819.00	819.00	.....	1,078.70	1,078.70	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	66,166.09	66,166.09	.....	220,511.79	220,511.79	.....	23,412.27	23,412.27	.....	30,743.53	30,743.53	.....
200.47	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
414.84	*1,548.44*	6,414.84	7,135.56	*720.72*	7,135.56	5,727.44	1,408.12	5,727.44	3,839.44	1,888.00	.....	543.89	*543.89*	.....	607.97	*607.97*
550.00	.....	1,550.00	1,550.00	.....	3,462.50	3,462.50	.....	10,000.31	6,666.87	3,333.44	.....	940.89	*940.89*	.....	1,059.17	*1,059.17*
247.51	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	12,000.00	12,000.00	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	10.00	10.00	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	39,590.58	39,590.58	.....	109,786.97	109,786.97	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	2,541.38	*2,541.38*	13,495.25	6,747.62	6,747.63	11,591.50	8,879.33	2,712.17	1,539.01	15,170.93	*13,631.92*	17,208.63	17,208.63	.....
.....	.....	.....	.....	.....	.....	.....	.....	5,705.70	.....	5,705.70	32,894.75	1,253.13	*1,253.13*	.....	1,410.67	*1,410.67*
.....	.....	.....	.....	.....	.....	.....	.....	323.95	.....	323.95	.....	.....	32,894.75	73,770.37	.....	73,770.37
.....	.....	.....	.....	.....	.....	.....	.....	2,455.36	2,455.36	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	346.52	346.52	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,029.49	3,029.49	.....	3,688.39	3,688.39	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	25.00	.....	25.00	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	*41.80*	.....	*41.80*	.....	.....	.....
63.42	$115,783.27	$1,220,149.06	$1,073,152.28	$146,996.78	$1,549,664.65	$1,405,774.34	$ 143,890.31	$1,210,636.88	$1,099,649.83	$ 110,987.05	$164,218.18	$136,668.18	$ 27,550.00	$275,033.96	$184,918.31	$ 90,115.65

EXHIBIT B-1

WRIGLEY VS. LARSON

STATEMENT OF DIFFERENCES BETWEEN FIGURES AS PREPARED AND SUBMITTED TO THE MASTER BY WM. WRIGLEY, JR., CO. AND FIGURES AS REVISED BY TOUCHE, NIVEN & CO.

Light figures represent decreases of Expenses
Italic figures represent increases of Expenses

OVERHEAD EXPENSES	July 28 to Dec. 31, 1914	Year 1915	Year 1916	Year 1917	January 1 to Aug. 31, 1918.	September 1 to Oct. 4, 1918.	October 5 to Nov. 12, 1918	Total
(1) Total Overhead Expenses per Wrigley Co's. Accounting (Exhibit B)	$ 437,585.57	$ 935,846.69	$1,220,149.06	$1,549,664.65	$1,210,636.88	$ 164,218.18	$ 275,033.96	$5,793,134.99
(2) Ratio of Doublemint Sales to all Sales	16 1927%	18 692%	16 4229%	14 9424%	14 9042%	19 8089%	2 54335%	
(3) Amount charged to Doublemint per Wrigley Co's. Accounting	70,857.04	174,928.46	200,383.85	231,557 09	180,435.75	32,529.81	5,054.61	895,746.61
(4) Total Overhead Expenses as revised by Touche, Niven & Co. (Exhibit B)	$ 339,653.59	$ 820,063.42	$1,073,153.28	$1,405,774.34	$1,099,649.83	$ 136,668.18	$ 184,918.31	$5,059,879.95
(5) Ratio of Doublemint Sales to all Sales, as above	16 1927%	18 692%	16 4229%	14 9424%	14 9042%	19 8089%	2 54335%	
(6) Amount chargeable to Doublemint	54 999.09	153,286.25	176,242.73	210,056.42	163,894.02	27,072.46	4,703.11	790,254.08
Differences between Wrigley Co's. figures and figures of Touche, Niven & Co.:								
Difference in total Overhead Expenses (Item 1 less Item 4)	$ 97,931.98	$ 115,783.27	$ 146,996.78	$ 143,890.31	$ 110,987.05	$ 27,550.00	$ 90,115.65	$ 733,255.04
Difference in Doublemint's proportion thereof (Item 3 less Item 6)	15,857.95	21,642.21	24,141.12	21,500.67	16,541.73	5,457.35	351.50	105,492.53
These differences are accounted for as follows:								
Difference between amount of Taxes charged in accounting and amount accrued based on Taxes actually paid:								
Real Estate Taxes	$ *4,315.43*	$ 4,481.17	$ 2,331.54	$ 3,225.68	$ 148.19	$ *1,814.39*	$ *2,042.55*	$ 2,014.21
Personal Property Taxes	*2,027.67*	*1,548.44*	*720.72*	1,408.12	1,888.00	*543.89*	*607.97*	*2,152.57*
Corporation Taxes	*389.58*	.....	.....	.....	3.333.44	*940.89*	*1,059.17*	943.80
Capital Stock Taxes	.....	.....	*2,541.38*	6,747.63	2,712.17	*1,253.13*	*1,410.67*	4,254.62
Payment of Notes given Frank F. Pulver prior to July 28, 1914, disallowed as not being a proper charge in this accounting	30,000.00	30,000.00	30,000.00	30,000.00	.....	.....	.....	120,000.00
Old balance in account of Wm. Scatchard written off but disallowed on account of having accrued prior to July 28, 1914	.....	865 05	.....	.....	.....	.....	.....	865.05
Brooklyn Factory Sales disallowed as a charge to Overhead because these amounts are properly taken care of in Manufacturing Cost	831.13	2,228.55	3,395.53	5,493.32	3,135.54	159.35	174.42	15,417.84
Picnic Gum included in Expense and disallowed for the reason that such gum is deducted from production to arrive at cost of manufacture per box and thus taken care of	1,410.16	354.43	.....	.....	.....	.....	.....	1,764.59
Carried Forward	$ 25,508.61	$ 36,380.76	$ 32,464.97	$ 46,874.75	$ 11,217.34	$ *4,392.95*	$ *4,945.94*	$ 143,107.54

Larson Exhibit No. 132.

4169

EXHIBIT B-1

(Page 2)

WRIGLEY VS. LARSON

STATEMENT OF DIFFERENCES BETWEEN FIGURES AS PREPARED AND SUBMITTED TO THE MASTER BY WM. WRIGLEY, JR., CO. AND FIGURES AS REVISED BY TOUCHE, NIVEN & CO.

Light figures represent decreases of Expenses
Italic figures represent increases of Expenses

OVERHEAD EXPENSES (Continued)	July 28 to Dec. 31, 1914	Year 1915	Year 1916	Year 1917	January 1 to Aug. 31, 1918.	September 1 to Oct. 4, 1918.	October 5 to Nov. 12, 1918	Total
Brought Forward	$ 25,508.61	$ 36,380.76	$ 32,464.97	$ 46,874.75	$ 11,217.34	$ *4,392.95*	$ *4,945.94*	$ 143,107.54
Proportion of following expenses taken up after July 28, 1914, but which relate to prior periods:								
J. R. Offield, Attorney—6 months retainer $5,000.00 (one-sixth).	833.33	.....	.....	.....	833.33	*833.33*	.....	833.33
Heating Shipping Department for 1914 $2,115.66 (seven-twelfths)	1,234.13	.....	.....	.....	.....	.....	.....	1,234.13
Depreciation of Motor Trucks and Office Furniture and Fixtures for the year 1914 $6,982.00 (seven-twelfths)	4,072.83	.....	.....	.....	.....	.....	.....	4,072.83
Amount recovered from Bonding Company in reimbursement of loss written off prior to July 28, 1914	*2,299.64*	.....	.....	.....	.....	.....	.....	*2,299.64*
Inventory of expense supplies at December 18, 1914, disallowed on the assumption that expense supplies on hand July 28, 1914, would offset the amount	*2,094.79*	.....	.....	.....	.....	.....	.....	*2,094.79*
Bad Debts in account of J. E. Plummer written off in December 1914, representing advances to chicle growers prior to July 28, 1914, (principally in 1910, 1911 and 1912)	11,986.81	.....	.....	.....	.....	.....	.....	11,986.81
Salary and Expenses at Brooklyn and Toronto for August 1914, chargeable to Manufacturing Cost	2,996.63	.....	.....	.....	.....	4,019.23	*4,019.23*	2,996.63
Expenses chargeable to period prior to July 28, 1914:								
Percy Short Case	550.00	.....	.....	.....	.....	.....	.....	550.00
Langley & Hansell—Claim for Commission	400.00	.....	.....	.....	.....	.....	.....	400.00
Commission on sales in July 1914	1,045.51	.....	.....	.....	.....	.....	.....	1,045.51
Geo. F. Desbien (Far East representative) account written off. Inasmuch as no Doublemint was shipped to Japan until 1915 this item is not a proper charge	648.98	.....	.....	.....	.....	.....	.....	648.98
Salary and expense of Paris office in 1914 is not a proper charge as no Doublemint was shipped to that territory until 1916	2,555.08	.....	.....	.....	.....	.....	.....	2,555.08
Paris advertising matter in 1914 is not a proper charge as we understand no Doublemint was sold in that territory at that time	679.60	.....	.....	.....	.....	.....	.....	679.60
Labor transferring gum from old to new boxes. This expense has presumably been taken care of in the determination of the Doublemint Manufacturing Cost and is therefore not chargeable in Overhead Expenses	.....	.....	259.38	.....	.....	.....	.....	259.38
Legal fees in connection with the incorporation of Canadian Company and adjustment of Canadian Profits Tax. The amount pertaining to incorporation is not a proper expense and since the bill does not show the division of the amount, the entire amount paid is disallowed	.....	.....	1,322.88	.....	.....	.....	.....	1,322.88

EXHIBIT B-1
(Page 3)

WRIGLEY VS. LARSON

STATEMENT OF DIFFERENCES BETWEEN FIGURES AS PREPARED AND SUBMITTED TO THE MASTER BY WM. WRIGLEY, JR., CO. AND FIGURES AS REVISED BY TOUCHE, NIVEN & CO.

Light figures represent decreases of Expenses
Italic figures represent increases of Expenses

OVERHEAD EXPENSES (Continued)	July 28 to Dec. 31, 1914	Year 1915	Year 1916	Year 1917	January 1 to Aug. 31, 1918.	September 1 to Oct. 4, 1918.	October 5 to Nov. 12, 1918	Total
Brought Forward	$ 48,117.08	$ 36,380.76	$ 34,047.23	$ 46,874.75	$ 12,050.67	$ *1,207.05*	$ *8,965.17*	$ 167,298.27
Cost of alteration of Main Office should be spread over the life of the lease—hence the following differences	.....	.....	2,141.39	*494.17*	268.80	*59.88*	*83.82*	1,772.32
Paris office Fixtures written off in 1916 amounted to.....$678.42 Since the Paris office is still in existence this amount should be disallowed and in lieu thereof depreciation should be allowed..... 135.68	.....	.....	542.74	.....	.....	.....	.....	542.74
Brooklyn Moving Expense—Account represents Capital outlays on new factory and expense in connection with moving plant from Bush Terminal, Brooklyn, which was commandeered by Navy Department on June 18, 1918. Wrigley Co. has filed claim against Navy Department for losses arising from Naval Order and for this and other reasons the amount should be disallowed in the accounting.....	.....	.....	.....	.....	5,705.70	32,894.75	73,770.37	112,370.82
Taxes on essential oil—This item is properly chargeable to Cost of Manufacture and was so treated in the books, having been transferred from "Taxes" to "Chicago Factory Expense" in October 1918.....	.....	.....	.....	.....	323.95	.....	.....	323.95
Items included in Accounting evidently in error as they could not be located in the books:								
Reserve for taxes.....	.....	.....	.....	.....	.....	*41.80*	.....	*41.80*
Illinois Manufacturers' Association.....	.....	.....	.....	.....	.....	25.00	.....	25.00
Trade Discounts for September 1918 omitted in Doublemint Accounting.....	.....	.....	.....	.....	.....	*13,631.92*	.....	*13,631.92*
Proportion of $9,836.00 Franchise Tax omitted in Doublemint Accounting.....	.....	.....	.....	.....	.....	*1,269.17*	.....	*1,269.17*
Proportion (twelve-thirtieths) of $8,551.94 New York Salaries and Expenses for November 1918 included in "Agencies" but which is properly chargeable to Manufacturing Cost.....	.....	.....	.....	.....	.....	.....	3,420.77	3,420.77
Proportion of fee paid Parkinson & Lane, Attorneys in Larson vs. Wrigleiy suit.....	.....	.....	.....	.....	.....	.....	1,613.18	1,613.18
Proporton of rent of Shipping Department for October and November, 1918, charged in Overhead but disallowed for the reason that the charges represent bookkeeping entries and not actual expenses.....	.....	.....	.....	.....	.....	.....	1,378.43	1,378.43
Proportion of Cost of plans for new building charged in Overhead but disallowed for the reason that cost of plans should be charged to the cost of the building and not to expense.....	.....	.....	.....	.....	.....	.....	2,008.12	2,008.12
Carried Forward	$ 48,117.08	$ 36,380.76	$ 36,731.36	$ 46,380.58	$ 18,349.12	$ 16,709.93	$ 73,141.88	$ 275,810.71

Larson Exhibit No. 132.

EXHIBIT B-1
(Page 4)

WRIGLEY VS. LARSON

STATEMENT OF DIFFERENCES BETWEEN FIGURES AS PREPARED AND SUBMITTED TO THE MASTER BY WM. WRIGLEY, JR., CO. AND FIGURES AS REVISED BY TOUCHE, NIVEN & CO.

Light figures represent decreases of Expenses
Italic figures represent increases of Expenses

OVERHEAD EXPENSES (Continued)	July 28 to Dec. 31, 1914	Year 1915	Year 1916	Year 1917	January 1 to Aug. 31, 1918.	September 1 to Oct. 4, 1918.	October 5 to Nov. 12, 1918	Total
Brought Forward	$ 48,117.08	$ 36,380.76	$ 36,731.36	$ 46,380.58	$ 18,349.12	$ 16,709.93	$ 73,141.88	$ 275,810.71
Depreciation of Buildings (charged in books to Real Estate Income) disallowed for the reason that depreciation of factory buildings is chargeable to Cost of Manufacture and since the cost of manufacture was agreed upon this item should be excluded from Overhead	18,564.90	.....	.....	.....	.....	.....	.....	18,564.90
Transfer to proper period of proportion of Brooklyn expenses	.....	.....	.....	.....	.....	3,783.62	*3,783.62*	.....
Fire loss of Belize $13,284.58 charged off by company to "Accounts Receivable Closed" and proportion (twleve-thirtieths) taken up in Overhead and also duplicated as a separate item, neither one of which is allowable	.....	.....	.....	.....	.....	.....	5,313.83	5,313.83
Salesmen's premiums charged twice in accounting—in United Profit Sharing Coupons Redeemed and also in Overhead item of Salesmen's Premiums	.....	4,402.51	.....	.....	.....	.....	.....	4,402.51
Salary of Wm. Wrigley, Jr. disallowed on advice of counsel of L. P. Larson, Jr., Co. as not a proper expense chargeable in the Doublemint accounting	31,250.00	75,000.00	75,000.00	75,000.00	50,000.00	7,056.45	15,443.55	328,750.00
Interest received on Notes and Accounts omitted in Wrigley Company's statement of Overhead:								
Amount received per books	$ 2,025.16	$ 14,701.79	$ 52,317.70	$ 40,513.75	$ 60,504.22	$ 4,815.05	$ 4,319.88	$ 179,197.55
Less interest paid on Pulver notes	9,000.00	7,200.00	5,400.00	3,600.00	.....	.....	.....	25,200.00
Net interest received on notes and accounts during accounting period per books	$ *6,974.84*	$ 7,501.79	$ 46,917.70	$ 36,913.75	$ 60,504.22	$ 4,815.05	$ 4,319.88	$ 153,997.55
Amount thereof allowed in Wrigley Company's statement of Overhead	*6,974.84*	7,501.79	11,652.28	14,404.02	17,866.29	4,815.05	4,319.88	53,584.47
Balance being interest received on notes and accounts which was omitted in Wrigley Co's. statement of Overhead	$	$	$ 35,265.42	$ 22,509.73	$ 42,637.93	$	$	$ 100,413.58
Fractional difference in expense	.....	.....	.....	.....	.....	.....	.01	.01
	$ 97,931.98	$ 115,783.27	$ 146,996.78	$ 143,890.31	$ 110,987.05	$ 27,550.00	$ 90,115.65	$ 733,255.04
Proportion of Doublemint Sales to All Sales	16 1927%	18 692%	16 4229%	14 9424%	14 9042%	19 8089%	2 54335%	
Amount of reduction in Doublemint's proportion of Overhead	$ 15,857.83	$ 21,642.21	$ 24,141.12	$ 21,500.67	$ 16,541.73	$ 5,457.35	$ 2,291.96	$ 107,432.87
Differences in Wrigley Company's calculation:								
In making deduction for Brooklyn factory expenses amounting to $11,238.92 as per their adjustment No. 52, they have used 19.8089% instead of 2.54335% as being chargeable to Doublemint, making a difference of							*1,940.46*	$ *1,940.46*
Fractional difference in 1914	.12	.....	.....	.....	.....	.....	.....	.12
Total	$ 15,857.95	$ 21,642.21	$ 24,141.12	$ 21,500.67	$ 16,541.73	$ 5,457.35	$ 351.50	$ 105,492.53

EXHIBIT C

WRIGLEY VS. LARSON

STATEMENT OF DIFFERENCES

	July 28th to December 31st 1914	Year 1915	Year 1916	Year 1917	January 1st to August 31st 1918	September 1st to October 4th 1918	October 5th to November 12th 1918	Total
Advertising								
Advertising Charged to Doublemint, per Wrigley Co's. Accounting	$ 478,688.78	$ 822,243.30	$ 719,854.52	$ 448,246.59	$ 294,909.06	$ 30,709.51	$.....	$2,794,651.76
Proportion of Advertising Chargeable to Doublemint on the basis of Doublemint Sales to all Sales:								
Amount of Advertising (including Detail Men, Advertising Matter, etc.) per books	$ 850,091.75	$1,564,150.43	$1,452,828.77	$1,439,736.90	$ 991,747.98	$ 90,703.97*	$ 227,345.75*	$6,616,605.55
Deduct: Donations included in Advertising	770.00	8,348.00	29,131.35	80,085.02	119,486.07	8,599.19	7,093.81	253,523.44
	$ 849,311 75	$1,555,802.43	$1,423,697.42	$1,359,651.88	$ 872,261.91	$ 82,104.78	$ 220,251.94	$6,363,082.11
Ratio of Doublemint Sales to all Sales	16.1927%	18.692%	16.4229%	14.9424%	14.9042%	19.8089%	2.54335%	
Proportion Chargeable to Doublemint	$ 137,526.50	$ 290,810.58	$ 233,812.40	$ 203,164,62	$ 130,003.66	$ 16,264.05	$ 5,601.78	$1,017,183.59
Difference between amount charged to Doublemint in Wrigley Co's. Accounting and Doublemint's proportion based on relative Sales	$ 341,162.28	$ 531,432.72	$ 486,042.12	$ 245,081.97	$ 164,905.40	$ 14,445.46	$ *5,601.78*	$1,777,468.17

*The account "Detail Men" subsequent to September 1st 1918 included in Overhead Expenses in Wrigley Co's. accounting and consequently by us.

EXHIBIT D

Proportion of Amount Paid for United Profit Sharing Coupons								
Proportion Charged to Doublemint per Wrigley Co's. Accounting	$ 1,341.87	$ 48,537.27	$ 98,505.24	$ 105,264.13	$ 63,333.18	$ 13,339.02	$.....	$ 330,320.71
Amount Paid for Coupons Redeemed per books	$ 5,629.60	$ 221,079.29	$ 516,306.42	$ 638,750.19	$ 385,750.19	$ 66,613.44	$.....	$1,834,002.53
Ratio of Doublemint with United Profit Sharing Coupons to all Coupons issued	23.83604%	21.954691%	19.078834%	16.479703%	17.085%	20.0459%	.....	.....
Proportion Chargeable to Doublemint	$ 1,341.87	$ 48,537.27	$ 98,505.24	$ 105,264.13	$ 65,883.79	$ 13,353.26	$.....	$ 332,885.56
Increase in Doublemint's proportion of Amount Paid for United Profit Sharing Coupons	$.....	$.....	$.....	$.....	$ *2,550.61*	$ *14.24*	$.....	$ *2,564.85*
Note: These Increases are accounted for as follows:								
Wrigley Co. in preparing its accounting made the following errors:								
Error in addition of Amount Paid	$.....	$.....	$.....	$.....	$ *15,000.00*	$.....	$.....	$ *15,000.85*
" " dividing between periods	.....	.....	.....	.....	71.05	*71.05*	.....	.....
Fractional Difference	.....	.....	.....	.....	.....	*.01*	.....	*.01*
	$.....	$.....	$	$.....	$ *14,928.95*	$ *71.06*	$.....	$ *15,000.01*
	$.....	$.....	$.....	$.....	$ *2,550.61*	$ *14.24*	$.....	$ *2,564.85*

7790

EXHIBIT E

WRIGLEY VS. LARSON

STATEMENT OF DIFFERENCES BETWEEN FIGURES AS PREPARED AND SUBMITTED TO THE MASTER BY WM. WRIGLEY, JR., CO. AND FIGURES AS REVISED BY TOUCHE, NIVEN & CO.

Light Figures represent decreases of Expenses
Italic Figures represent increases of Expenses

	July 28th to Dec. 31, 1914	Year 1915	Year 1916	Year 1917	January 1st to Aug. 31, 1918	September 1st to Oct. 4, 1918	October 5th to Nov. 12, 1918	Total
Contingent Liability for Unredeemed United Profit Sharing Coupons								
Contingent liability charged to Doublemint per Wrigley Co's. Accounting:								
(1) Reserve based on 50% of redeemable value of all coupons issued	$ 190,317.26	$ 625 404.03	$ 826,173.96	$1,020,202.43	$ 701,237.78	$ 94,642.68	$.....	$3,457,978.14
(2) Deduct value of all coupons redeemed	5,629.60	221,079.29	516 306.42	638,750.19	385,623.59	66,613.44	.....	1,834,002.53
(3) Contingent liability for all unredeemed coupons	$ 184,687.66	$ 404,324.74	$ 309,867.54	$ 381,452.24	$ 315,614.19	$ 28,029.24	$.....	$1,623,975.61
(4) Ratio of Doublemint with United Profit Sharing Coupons to all coupons issued	23.83604%	21.954691%	19.078834%	16.479703%	17.085%	20.0459%	.....	.....
(5) Proportion of Contingent Liability chargeable to Doublemint per Wrigley Co's. Accounting	$ 44,022.23	$ 88,668.84	$ 59,119.11	$ 63,025.21	$ 55,905.37	$ 6,840.39	$.....	$ 317,581.15
Contingent liability chargeable to Doublemint:								
(6) Reserve based on 33-1/3% of redeemable value of all coupons issued	$ 126,878.17	$ 416,936.02	$ 550,782.64	$ 680,134.95	$ 467,491.85	$ 63,095.12	$.....	$2,305,318.75
(7) Deduct value of all coupons redeemed as above	5,629.60	221,079.29	516,306.42	638,750.19	385,623.59	66,613.44	.....	1,834,002.53
(8) Contingent liability for all unredeemed coupons	$ 121,248.57	$ 195,856.73	$ 34,476.22	$ 41,384.76	$ 81,868.26	$ *3,518.32*	.....	$ 471,316.22
(9) Ratio of Doublemint with United Profit Sharing Coupons to all coupons issued as above	23.83604%	21.954691%	19.078834%	16.479703%	17.085%	20.0459%	.....	.....
(10) Proportion of Contingent Liability chargeable to Doublemint on the basis of 33-1/3% of redeemable value of coupons issued being sufficient to provide all coupons to be redeemed	$ 28,900.86	$ 43,000.27	$ 6,577.66	$ 6,820.09	$ 13,987.19	$ *705.28*	.....	$ 98,580.79
Reduction in Doublemint's proportion of Contingent Liability for unredeemed United Profit Sharing Coupons (item 5 less item 10)	$ 15,121.37	$ 45,668.57	$ 52,541.45	$ 56,205.12	$ 41,918.18	$ 7,545.67	$.....	$ 219,000.36
Printing United Profit Sharing Coupons		EXHIBIT F						
Cost of Printing coupons charged to Doublemint per Wrigley Co's. Accounting:								
Cost of printing all coupons	$ 2,352.66	$ 5,522.82	$ 6,170.82	$ 11,874.88	$ 7,832.18	$ 444.80	$.....	$ 34,198.16
Ratio of Doublemint with United Profit Sharing Coupons to all coupons issued	23.83604%	21.954691%	19.078834%	16.479703%	17.085%	20.0459%	.....	.....
Proportion charged to Doublemint per Wrigley Co's. Accounting	$ 560.78	$ 1,212.52	$ 1,177.32	$ 1,956.95	$ 1,338.13	$ 89.16	$.....	$ 6,334.86
Cost of printing all coupons per books	$ 2,352.66	$ 5,896.40	$ 8,783.26	$ 11,874.88	$ 7,832.18	$ 444.80	$.....	$ 37,184.18
Doublemint proportion based on above ratio	$ 560.78	$ 1,294.54	$ 1,675 74	$ 1,956.95	$ 1,338.13	$ 89.16	$.....	$ 6,915.30
Increase in Doublemint proportion of printing United Profit Sharing Coupons	$.....	$ *82.02*	$ *498.42*	.....	.....	$.....	$.....	$ *580.44*

7791

EXHIBIT G

WRIGLEY VS. LARSON

STATEMENT OF DIFFERENCES BETWEEN FIGURES AS PREPARED AND SUBMITTED TO THE MASTER BY WM. WRIGLEY, JR., CO. AND FIGURES AS REVISED BY TOUCHE, NIVEN & CO.

Light Figures represent decreases of Expenses
Italic Figures represent increases of Expenses

	July 28th to Dec. 31, 1914	Year 1915	Year 1916	Year 1917	January 1st to Aug. 31, 1918	September 1st to Oct. 4, 1918	October 5th to Nov. 12, 1918	Total
Trade Discounts—Allowances to Jobbers								
Trade discounts for period September 1st to October 4th, 1918, were included by Wrigley Co. in two items, viz.: In Overhead Expenses $ 1,539.01 In Trade Discounts 15,170.93 Since Trade Discounts for the period from January 1st, 1917, to end of Accounting period were included in Overhead Expenses we have increased the Overhead Expenses to the proper amount, viz: $15,170.93, and consequently the amount shown separately as "Trade Discounts" should be eliminated, viz: 19.8089% of $15,170.93	$	$	$	$	$	$ 3,005.19	$	$ 3,005.19
Error in calculation		*.70*						*.70*
		$ *.70*	$ *.70*	$	$	$ 3,005.19	$	$ 3,004.49
		EHXIBIT H						
Loss on sale of Merchandise with Doublemint								
Total *Profit* or Loss on Sale of Merchandise with Gum per Wrigley Co's. Accounting	$	$ 106,882.71	$ 118,669.34	$ 36,725.08	$ *46,996.27*	$ *8,215.25*	$	$ 207,065.61
Ratio of Doublemint Sales to all Sales		18.7%	16.4%	15.0%	15.0%	20.9%		
Amount charged to Doublemint per Wrigley Co's. Accounting	$	$ 21,962.16*	$ 19,461.78	$ 5,508.76	$ *7,049.44*	$ *1,716.99*	$	$ 38,166.27
Total *Profit* or Loss on Sale of Merchandise with Gum per Wrigley Co's. Accounting above	$	$ 106,882.71	$ 118,669.34	$ 36,725.08	$ *46,996.27*	$ *8,215.25*	$	$ 207,065.61
Add or *Deduct:*								
Amount paid for Stamps at 4 cents per box		*65,990.96*	*53,811.68*					*119,802.64*
Sundry errors in calculation of Sales and Cost of Sales (Net)		*28,442.70*	403.72	3,695.60	*284.14*	*7.48*		*24,635.00*
Net *Profit* or Loss on Sale of Merchandise with Gum	$	$ 12,449.05	$ 65,261.38	$ 40,420.68	$ *47,280.41*	$ *8,222.73*	$	$ 62,627.97
Doublemint's proportion based on above percentages of Sales	$	$ 4,303.06*	$ 10,702.86	$ 6,063.10	$ *7,092.06*	*1,718.55*	$	$ 12,258.41
Reduction or *Increase* in Doublemint's proportion of Loss on Sale of Merchandise with Gum	$	$ 17,659.10	$ 8,758.92	$ *554.34*	$ 42.62	$ 1.56	$	$ 25,907.86

*Includes Doublemint's proportion of loss on Canadian Sales of Merchandise amounting to $1,975.09.

EXHIBIT I

Interest on Capital Invested (Doublemint's Proportion)	$ 26,642.00	$ 78,049.77	$ 68,651.52	$ 72,061.20	$ 49,873.16	$ 11,067.63	$	$ 306,345.38

EXHIBIT J

Interest on Capital Invested in Patents and Patent Rights								
Doublemint's proportion	$ 6,252.47	$ 15,098.35	$ 11,692.75	$ 9,433.94	$ 5,408.97	$ 1,294.67	$	$ 49,181.15

NOTE: The above two items of Interest on Capital Invested included in Wrigley Co's. Accounting should be disallowed for the reason that Mr. Wrigley testified that no additional facilities were required for the manufacture of Doublemint, and also for the reason that the interest included inder this caption does not represent an actual outlay nor even an entry recorded in the books, but merely arbitrary amounts incorporated in the statement of accounting. These interest items are, therefore, not expenses and should not be allowed.

EXHIBIT K

WRIGLEY VS. LARSON

STATEMENT OF DIFFERENCES BETWEEN FIGURES AS PREPARED AND SUBMITTED TO THE MASTER BY WM. WRIGLEY, JR., CO. AND FIGURES AS REVISED BY TOUCHE, NIVEN & CO.

Light Figures represent decreases of Expenses
Italic Figures represent increases of Expenses

	July 28th to Dec. 31, 1914	Year 1915	Year 1916	Year 1917	January 1st to Aug. 31, 1918	September 1st to Oct. 4, 1918	October 5th to Nov. 12, 1918	Total
Depreciation of Patents and Patent Rights (Doublemint's Proportion)	$ 6,870.84	$ 17 974.23	$ 15,185.38	$ 13,477.06	$ 8,704.91	$ 2,055.01	$.....	$ 64,267.43

The amount carried in the books as the value of Patents and Patent Rights; viz, $1,500,000.00 represents a segregation in December 1918 of an account theretofore carried as "Patents, Patent Rights, Goodwill and Trademarks" amounting to $7,500,000.00. Since there were no special patents or patent rights obtained for the manufacture of Doublemint, and inasmuch as the production and sale of Doublemint was in violation of the rights of the Larson Co., the latter should not be called upon to stand any part of the cost of patents and patent rights. The total amount, therefore, should be disallowed.

EXHIBIT L

Income and Excess Profits Taxes (Doublemint's Proportion)	$.....	$.....	$.....	$ 258,082.72	$ 252,014.22	$ 43,688.64	$ 9,548.31	$ 563,933.89

Income and Excess Profits Taxes charged to Doublemint was calculated at the rate of 60%—the highest rate for 1917. The following footnote appears on the statement filed with the Master:

"We have deducted taxes upon the assumption that the Doublemint profits were the last, i. e. upon the assumption that the profits do not belong to us: however, if we ignore the profits as though not earned we were already in the 60% class and the additional earnings for Doublemint would be in that class."

In our opinion no deduction for Income and Excess Profits Taxes should be made against Doublemint for the reason, among others, that the Larson Co. will be required to report to the Government as income subject to taxation the amount of damages awarded in this suit in the year in which received from the Wrigley Co. As the profits on Doublemint belong to the Larson Co. the Wrigley Co. should not be required to pay taxes thereon, and the latter Company's remedy is to seek reimbursement from the Government. This item should, therefore, be eliminated.

EXHIBIT M

Loss by Fire at Belize (Doublemint's Proportion)	$.....	$.....	$.....	$.....	$ 1,700.30	$.....	$.....	$ 1,700.30

In November, 1918, the loss of $13,284.58 on mess pork destroyed August 17, 1918, by fire at Belize, British Honduras, was charged off to "Accounts Receivable Closed." This pork was in storage at Belize for delivery, as needed, to chicle contractors and since it is improbable that any chicle obtained in Belize since August 17, 1918, was used during the accounting period, having in mind that the only reason for an accounting subsequent to August 24, 1918, was that the first change in the Doublemint Wrapper did not meet the requirements, it would appear that no part of this loss is chargeable to Doublemint in the present accounting.

EXHIBIT N

SUMMARY OF COUPONS ISSUED AND REDEEMED BY WM. WRIGLEY, JR., CO. DURING THE PERIOD FROM SEPTEMBER, 1914, TO DECEMBER 31, 1918.

	No. 1 Coupons (Wrappers)			No. 5 Coupons (1 in each box for Dealer)			No. 25 Coupons (Issued to Jobbers' Salesmen on basis of Sales)			Total Coupons in Terms of No. 1		
	Issued	Redeemed	Unredeemed	Issued	Redeemed	Unredeemed	Issued	Redeemed	Unredeemed	Issued	Redeemed	Unredeemed
September 1 to December 31, 1914	101,846,769	1,291,767	100,555,002	5,006,281	116,953	4,889,328				126,[illegible]3,174	1,876,532	125,001,642
% to Number Issued		*1.27*	*98.73*		*2.34*	*97.66*					*1.48*	*98.52*
Year to December 31, 1915	331,035,933	52,700,648	278,335,285	15,900,497	3,791,514	12,108,983	255,904	81,435	174,469	416,936,018	73,694,093	343,241,925
% to Number Issued		*15.92*	*84.08*		*23.85*	*76.15*		*31.82*	*68.18*		*17.67*	*82.33*
Total to December 31, 1915	432,882,702	53,992,415	378,890,287	20,906,778	3,908,467	16,998,311	255,904	81,435	174,469	543,814,192	75,570,625	468,243,567
% to Number Issued		*12.47*	*87.53*		*18.69*	*81.31*		*31.82*	*68.18*		*13.90*	*86.10*
Year to December 31, 1916	436,615,990	109,423,529	327,192,461	20,858,740	10,698,897	10,159,843	394,918	367,365	27,553	550,782,640	172,102,139	378,680,501
% to Number Issued		*25.06*	*74.94*		*51.29*	*48.71*		*93.02*	*6.98*		*31.25*	*68.75*
% of Increase over Preceding year	*31.89*	*107.63*		*31.18*	*182.18*		*54.32*	*351.11*		*32.10*	*133.54*	
Total to December 31, 1916	869,498,692	163,415,944	706,082,748	41,765,518	14,607,364	27,158,154	650,822	448,800	202,022	1,094,596,832	247,672,764	846,924,068
% to Number Issued		*18.79*	*81.21*		*34.97*	*65.03*		*68.96*	*31.04*		*22.63*	*77.37*
Year to December 31, 1917	539,715,751	129,529,872	410,185,879	25,633,955	14,341,381	11,292,574	489,977	467,198	22,779	680,134,951	212,916,727	467,218,224
% to Number Issued		*24.00*	*76.00*		*55.95*	*44.05*		*95.35*	*4.65*		*31.31*	*68.69*
% of Increase over Preceding year	*23.61*	*18.37*		*22.89*	*34.05*		*24.07*	*27.18*		*23.49*	*23.72*	
Total to December 31, 1917	1,409,214,443	292,945,816	1,116,268,627	67,399,473	28,948,745	38,450,728	1,140,799	915,998	224,801	1,774,731,783	460,589,491	1,314,142,292
% to Number Issued		*20.79*	*79.21*		*42.95*	*57.05*		*80.29*	*19.71*		*25.95*	*74.05*
Year to December 31, 1918	554,492,910	109,531,996	444,960,914	26,750,287	13,936,416	12,813,871	384,072	416,873	*32,801*	697,846,145	189,635,901	508,210,244
% to Number Issued		*19.75*	*80.25*		*52.10*	*47.90*		*108.54*	8.54		*27.17*	*72.83*
% of Increase over Preceding year	*2.74*	15.44		*4.35*	2.82		21.61	10.77		*2.60*	10.93	
Total to December 31, 1918	1,963,707,353	402,477,812	1,561,229,541	94,149,760	42,885,161	51,264,599	1,524,871	1,332,871	192,000	2,472,577,928	650,225,392	1,822,352,536
% to Number Issued		*20.50*	*79.50*		*45.55*	*54.45*		*87.41*	*12.59*		*26.30*	*73.70*

Agreement with United Profit Sharing Corporation for use of coupons by the Wm. Wrigley, Jr., Co. is dated July 6, 1914. Coupons were first redeemed by Wrigley Company in September, 1914, and we understand they were first issued in that month.

EXHIBIT O

WRIGLEY VS. LARSON

STATEMENT SHOWING APPORTIONMENT OF ADVERTISING EXPENSES ON THE BASIS OF DEFERRING 50% THEREOF OVER A PERIOD OF THREE YEARS FROM DATE EXPENSES WERE INCURRED

	Total Advertising Expenses	Amount Deferred (50%)	1914	1915	1916	1917	January 1 to August 31, 1918	September 1 to October 4, 1918	October 5 to November 12, 1918	Unexpired at November 12, 1918	Total
	Advertising Expenses	Deferred (50%)	1914	1915	1916	1917	to August 31, 1918	to October 4, 1918	to November 12, 1918	at November 12, 1918	Total
July 28 to December 31, 1914	$ 849,411.75	$ 424,655.87	$ 566,207.82	$ 141,551.96	$ 141,551.97						
Year 1915	1,555,802.43	777,901.22		1,037,201.61	259,300.41	$ 259,300.41					
Year 1916	1,423,697.42	711,848.71			949,131.61	237,282.90	$ 158,188.56	$ 22,410.05	$ 25,046.59	$ 31,637.71	
Year 1917	1,359,651.88	679,825.94				906,434.58	151,072.40	21,401.93	23,919.82	256,823.15	
January 1 to August 31, 1918	872,261.91	436,130.95					387,672.00	54,920.19	61,381.39	368,288.33	
September 1 to October 4, 1918	82,104.78	41,052.39						15,508.69	17,333.25	49,262.84	
October 5 to November 12, 1918	220,251.94	110 125.97							68,522.83	151,729.11	
	$6,363,082.11	$3,181,541.05	$ 566,207.82	$1,178,753.57	$1,349,983.99	$1,403,017.89	$ 696,932.96	$ 114,240.86	$ 196,203.88	$ 857,741.14	
Proportion of Doublemint Sales to all Sales			16.1927%	18.692%	16.4229%	14.9424%	14.9042%	19.8089%	2.54335%		
Proportion chargeable to Doublemint on above bases			$ 91,684.33	$ 220,332.62	$ 221,706.52	$ 209,644.55	$ 103,872.28	$ 22,629.86	$ 4,990.15		$ 874,860.31
Amount charged in the Wm. Wrigley Jr., Co's. Accounting			478,688.78	822,243.30	719,854.52	448,246.59	294,909.06	30,709.51			2,794,651.76
Difference, being amount charged in the Wm. Wrigley, Jr., Co's. Accounting in excess of the amount calculated on above bases.			$ 387,004.45	$ 601,910.68	$ 498,148.00	$ 238,602.04	$ 191,036.78	$ 8,079.65	$ *4,990.15*		$1,919,791.45

Larson Exhibit No. 132.

7795 LARSON EX. 133.

Offered, not admitted.

Filed Jan. 7, 1925 .... o'clock .... M. John H. R. Jamar Clerk.

IN THE UNITED STATES DISTRICT COURT

Northern District of Ohio

Western Division

Wm. Wrigley Jr. Company, A corporation organized under the laws of the State of West Virginia,
Complainant,
vs.
The Toledo Chewing Gum Co., A corporation organized under the laws of the State of Ohio,
Defendant.
} Unfair Competition

BILL OF COMPLAINT.

To the Honorable Judges of the District Court of the United States in and for the Northern District of Ohio, Western Division, in Chancery Sitting.

Wm. Wrigley Jr. Company, a corporation duly organized and existing under and by virtue of the laws of the State of West Virginia, and a citizen of the State of West Virginia, Complainant, brings this, its Bill of Complaint, against The Toledo Chewing Gum Company, a corporation organized under the laws of the State of Ohio, and a citizen of the State of Ohio, and doing business in the city of Toledo, County of Lucas, in said State;

Whereupon your orator complains and says:

I.

That prior to the year 1894 Wm. Wrigley Jr. and William Scatchard were copartners in business and engaged in the manufacture, production and marketing and sale of a wide variety of chewing gum products of every kind, nature and description known to that business industry and in vending

the same in large quantities throughout all the United
7796 States and territories thereof, and in adjacent foreign countries, and had a business of great extent; said copartnership and business of the said Wm. Wrigley Jr. and William Scatchard was conducted under the name of Wm. Wrigley Jr. & Co., and continued, from the inception of said business in the year 1892 until the year 1903, as a copartnership. That during the year 1903 the said copartnership was dissolved, whereupon your orator's predecessor was duly incorporated and became a body corporate by virtue of the laws of the State of Illinois, under the name of Wm. Wrigley Jr. & Co., and succeeded to the business, good-will, trade-marks, trade-names and other assets of said copartnership, the same, all and singular, having been fully conveyed, transferred and assigned by the said copartners to the said corporation, Wm. Wrigley Jr. & Co.

II.

That on or about the 1st day of January, 1911, your orator, Wm. Wrigley Jr. Company, purchased the entire property and assets of Wm. Wrigley Jr. & Co., an Illinois corporation, together with the trade-marks, trade-names, trade-dress, good-will and trade-rights in and relating to the business of your orator's predecessor, and that the business of your orator's predecessor, acquired as aforesaid, and by it now carried on, consists of the manufacture, production and sale of chewing gum products, including a product known as "Spearmint Gum" and all the trade-marks, trade-names and trade-dress and good-will relating thereto.

III.

That about the year 1894 your orator's predecessor in business adopted and used as a distinguishing name and to denote
and identify one of its said products, the name "Spear-
7797 mint", which name was not at that time in use in connection with chewing gum products and which never had been used, as your orator is informed and believes, in connection with said products.

And your orator further says that a radically new form of trade-dress was adopted for its "Spearmint" product, both as to markings and color, the predominating colors being red, white and green for the outside wrapper, while five individ-

ual sticks of gum were separately wrapped in pink wrappers; the outside wrapper being shorter than the individual sticks of gum, so as to leave the pink ends of the individual sticks projecting beyond the ends of the outside wrapper, and that a carton for containing the individual packages as originally adopted and used continuously since the year 1894 has had particular and peculiar markings thereon, the predominating colors being red, green, white and yellow.

IV.

That the defendant, The Toledo Chewing Gum Company, is a corporation organized under the laws of the State of Ohio and has its principal office and is conducting its business in the city of Toledo, County of Lucas and State of Ohio, and in the Northern District of Ohio, Western Division of said state; that said defendant is engaged in the manufacture and sale of a chewing gum product which is enclosed in a trade-dress in fraudulent imitation of your orator's trade-dress as to wrapper appellations, for the express purpose of injuring your orator's business to the defendant's own advantage and profit and to the great damage and detriment of your orator, and your orator avers that the damage which it has sustained by reason of the unlawful acts of this defendant is in excess of Fifty Thousand Dollars ($50,000).

7798

V.

That the manufacture and sale of different kinds and styles of chewing gum products is the only item and branch of industry of your orator and that such chewing gum products are presented and sold largely by your orator to the purchasing retail stores handling such products, in cartons, boxes and packages of different sizes and shapes, varrying according to the different styles of chewing gum to be enclosed therein, and that all of said packages of your orator containing chewing gum products are encased or enclosed by a wrapper formation, having upon the separate wrappers your orator's spear trade-mark as well as particular and peculiar markings as to color, design and wording, giving a distinctive and attractive appearance to your orator's products as to such wrapper appellations thereon.

VI.

That your orator's predecessor, in the year 1894, having adopted this peculiar and distinctive color scheme and design for the wrappers and cartons to contain its "Spearmint" product, has continuously used the same color scheme, design or trade-dress for distinguishing its product from the goods of other manufacturers and such color scheme, design and trade-dress has not alone been contained upon the wrappers and cartons for containing your orator's product, but has been used in all manner and forms of advertising, such as display cards, in street-cars, bill-boards, electric signs, magazines, trade journals and newspapers throughout the United States, in Canada and in other foreign countries; and your orator has expended vast sums of money in advertising its "Spearmint" product and making the same known to the trade and to the purchasing public, and particular em-
7799 phasis in all of the various forms of your orator's advertising has been laid upon the peculiar and particular markings, color scheme and wrapper formation of your orator's said "Spearmint" product, and in doing so your orator has spent upwards of three millions of dollars, until the purchasing public, throughout the United States has become so familiar with your orator's color scheme, wrapper formation, particular and peculiar markings, and the trade-dress as a whole, for its "Spearmint" product that they look solely to the trade-dress as the sign and symbol of your orator's chewing gum product, and the presence of such trade-dress as the predominating feature upon the wrapper or carton containing a chewing gum product, is taken by the purchasing public to mean, and mean only, that such wrapper or carton containing chewing gum products, is the wrapper, carton and contents and is the product of your orator.

Your orator hereby makes an exhibit in this case of its carton for containing its "Spearmint" product, together with twenty packages containing five sticks each of said product with wrapper appellations thereon, illustrating and identifying the carton and wrapper, trade-dress and manner of packing of your orator's product continuously followed since its original adoption in 1894, identifying said exhibit with this your orator's Bill of Complaint as a part thereof and marked "Complainant's Exhibit, Complainant's Package."

VII.

That this defendant, The Toledo Chewing Gum Company, began the manufacture and sale of its Spearmint chewing gum product subsequent to the beginning of your orator's extensive advertising campaign and the first Spearmint chewing gum product placed upon the market by this defend-
7800 ant was enclosed in a wrapper bearing a trade-mark consisting of the word "Tiger" and printed in a manner as to be wholly dissimilar from your orator's "Spearmint" product. A sample of the defendant's original Spearmint wrapper is hereto attached to this, your orator's Bill of Complaint, as an exhibit and is identified as "Complainant's Exhibit, Defendant's first package."

Your orator further avers that the defendant abandoned its "Tiger" Spearmint product, as above identified, and thereafter began placing upon the market Spearmint chewing gum in various forms of wrappers, as evidenced by "Complainant's Exhibit, Defendant's second product", hereto attached to this, your orator's Bill of Complaint, consisting of five individual sticks of gum contained in pink wrappers having the word "Spearmint" prominently displayed thereon upon a black panel and five pieces of gum enclosed in an outside band or wrapper having the representation of an Eagle printed thereon with the word "Spearmint" upon a black panel.

Your orator further avers that this defendant has placed upon the market, under the fictitious name of Royal Gum Co., a Spearmint product under the name of "Wilbur's", showing the trade-name or mark "Spearmint" upon a black panel, as evidenced by "Complainant's Exhibit, Defendant's third product".

Your orator further avers that this defendant has placed upon the market another spurious imitation of your orator's product and under the fictitious name of Snappy Gum Company, using the predominating colors of your orator's package and showing the word "Spearmint" upon a green panel. A sample of defendant's product, as thus described, is hereto attached to this, your orator's Bill of Complaint, as an exhibit and is identified as "Complainant's Exhibit, Defendant's fourth product."

7801 Your orator further avers that this defendant has placed upon the market another fraudulent imitation of your orator's product, using the predominating colors of

your orator's package, showing the word "Spearmint" upon a green panel and without the name of any manufacturer being printed upon the labels enclosing said product but with the word "Superior" displayed thereon. A sample of defendant's product, as above described, is hereto attached to this your orator's Bill of Complaint as an exhibit and is identified as "Complainant's Exhibit Defendant's Fifth Product".

Your orator further avers that this defendant has placed upon the market another spurious imitation of your orator's product and under the fictitious name of The Genuine Spearmint Gum Co., using the predominating colors of your orator's package and showing the word "Spearmint" upon a green panel having two pointed ends. A sample of defendant's product, as above described, is hereto attached to this your orator's Bill of Complaint, as an exhibit and is identified as "Complainant's Exhibit Defendant's Sixth Product".

VIII.

Your orator further avers that in the year 1914 it originated and adopted a new style of wrapper for a peppermint flavored chewing gum to which the new and distinctive name of "Doublemint" was applied and your orator desiring to link and associate its Doublemint product with its widely known Spearmint product, thereupon, adopted and used a double-headed spear printed in red with the word Doublemint displayed thereon; the color scheme of the label enclosing the five sticks of gum being in red, white and green and the individual sticks of gum being enclosed in green wrappers, thereby giving a new and distinctive appearance to its Doublemint package.

7802 Your orator further avers that it first placed its Doublemint product upon the market in wrappers and labels as above described in July of 1914 and that said Doublemint product has been advertised extensively through the United States and a business of great extent has been created by reason of such advertising. A box of your orator's Doublemint product being herewith offered in evidence and the same is identified as "Complainant's Exhibit Complainant's Doublemint product".

IX.

Your orator further avers that only recently this defendant has placed upon the market a peppermint flavored chewing gum having precisely the same general color scheme as complainant's Doublemint product and having printed upon the label or counter-band a double-headed spear with the words "Double Eagle" placed thereabove and that this defendant has used and associated with its red, white and green counter-band or label a green label in which the individual sticks are enclosed and the ends of which sticks extend beyond the end of said counter-band or label, thereby producing and giving to defendant's package the peculiar visual appearance of your orator's package. A box of defendant's "Double Eagle" peppermint gum is hereto attached to this your orator's Bill of Complaint and identified as "Complainant's Exhibit Defendant's Double Eagle Product".

X.

Your orator avers upon information and belief that this defendant is preparing to rush and flood the trade with vast quantities of chewing gum having the exact trade dress of your orator's and that unless this Honorable Court shall grant an immediate injunction or preliminary restraining order preventing the sale or delivery of chewing gum wrapped in the manner as herein complained of that said defend-
7803 ant will at once utilize such delay and put upon the market its fraudulent imitations of your orator's products, as above set forth, to the great and irreparable damage of your orator; your orator avering that the said chewing gum products as made by this defendant are of inferior grade or quality to the products of your orator and are calculated and intend to and do, as a matter of fact, greatly injure the high reputation, character and quality of your orator's goods.

XI.

Your orator avers that its rights to its trade-dress and trade-mark have been judicially recognized, as is evidenced by the decision of the Circuit Court of Appeals within and for the Second Circuit, in the case of *Wm. Wrigley Jr. Co.*, v. *The Grove Company, et al*, 163 Federal Reporter, Page 99; that your orator's rights have been further recognized by

His Honor, Judge Carpenter, in the case of *Wm. Wrigley Jr. Co.*, v. *L. P. Larson Company* in the United States District Court within and for the Northern District of Illinois, a copy of the Opinion of His Honor, Judge Carpenter, being made an Exhibit in this case and marked "Complainant's Exhibit, Larson Opinion"; your orator further avers that its trade-rights have been recognized by His Honor, Judge Day of the United States District Court within and for the Northern District of Ohio in the case of *Wm. Wrigley Jr. Co.*, v. *J. G. Goldnbak* and in the case of *Wm. Wrigley Jr. Co.*, v. *Edward Myers*, copies of the Opinions in both cases being made Exhibits in this case and marked "Complainant's Exhibit, Goldnbak Opinion", and "Complainant's Exhibit, Myers Opinion", and your orator's rights have been further recognized within the Sixth Judicial Circuit in the case of *Wm. Wrigley Jr. Co.*, v. *A. Colker* in the United States District Court for the Eastern District of Kentucky, a copy of His Honor, Judge Cochran's Opinion being hereto attached
7804 to this, your orator's Bill of Complaint, and identified as "Complainant's Exhibit, Colker Opinion". Your orator further avers that the labels attached to the opinions accompanying the Bill of Complaint, represent the labels enjoined by the respective courts.

XII.

Your orator further avers upon information and belief, that the defendant has heretofore in many ways, directly and indirectly, offered and sold its Spearmint product and Double Eagle product as and for your orator's product whereby the public has been mislead and injured and profits which have rightfully belonged to your orator have been diverted to the defendant; and your orator further averring that the value of your orator's said trade-dress exceeds an amount more than Seven Million Dollars ($7,000,000.00) and your orator avers that the amount in dispute as to this defendant, as herein set forth, exceeds, exclusive of interest and costs, to-wit: the sum of Fifty Thousand Dollars ($50,000.00).

That this defendant has in many ways, as your orator is informed and believes and charges the fact to be, offered and sold its Spearmint and Double Eagle products without explanation, said defendant knowing and believing that the same would be accepted by the public as being your orator's products, favorably known as "Spearmint Gum" and "Doublemint Gum", to the great loss and injury of your orator, actually sustained.

XIII.

That the acts of this defendant as above set forth are wholly without your orator's consent and in wrongful violation of your orator's rights as aforesaid, and your orator avers and charges the fact to be that the said acts have been committed by the said defendant fraudulently, wilfully and unlawfully and that said defendant exercises great skill
7805 in closely copying the wrapper appellations, advertisements, letterheads and cartons pertaining to your orator's Spearmint and Doublemint products, as to show by a comparison the spurious and fraudulent imitation of your orator's Spearmint and Doublemint products and all things pertaining thereto, even as to detail in the subject-matter, or context of the advertisements of your orator's products.

XIV.

That the acts of the said defendant, as above set forth are contrary to equity and good conscience and constitute a fraudulent invasion and infringement of your orator's rights in the premises and an unlawful invasion and infringement of your orator's trade rights and trade-dress thereunder, as above set forth, and also your orator's equitable rights in any use of such packages, cartons, wrappers, marks or wording accompanying your orator's products as herein set forth existing in equity and good law, which in this Honorable Court will be protected and preserved; your orator averring that the acts of this defendant herein complained of have the effect and result of enabling and permitting false and fraudulent competition in business and fraudulent and unlawful sale and substitution by unscrupulous persons of the defendant's goods in lieu of your orator's goods with the accompanying trade-dress as herein set forth. And your orator prays that it may have the relief in the premises to which, in equity and good conscience, it is entitled, as the same shall appear upon the facts to be just and equitable, and that it may have such relief the same as if it were here and now made the subject of a specific prayer.

To the end therefore, that your orator may obtain relief in the premises in this Honorable Court, where alone it can obtain relief, it humbly prays:

7806 (1) That the said defendant, The Toledo Chewing Gum Co., be made defendant to this Bill and compelled to answer the same, and each and every allegation contained

herein, but not under oath (answer under oath being hereby expressly waived), as fully as if directly interrogated as to each.

(2) That the said defendant may be compelled to render before one of the masters in chancery of this Court, full, true and perfect and complete account of all profits of every description diverted from your orator, or received by said defendant, arising out of the defendant's commitment of the infringing acts above complained of and to account for and pay over all damages to your orator suffered by your orator by reason of such infringing and unlawful acts.

(3) That the defendant and its officers, representatives, servants, agents, attorneys and employees, and each of them, be restrained and in due order of time perpetually enjoined from further imitation or simulation of the said cartons, packages or wrappers for chewing-gum of the complainant, as to size, form and color in collocation with symbols and arrangement of printed matter employed by the complainant upon its said cartons, packages and wrappers, and from imitating or simulating the said cartons, packages or wrappers of the complainant in any manner calculated to induce the public to believe that the Spearmint or peppermint chewing gum, or other chewing gum or product of the defendant, is the complainant's product.

To the end that equity may be done and the relief herein prayed for, and all other that it may be righteous in the premises to administer, may be afforded your orator, may it please your Honors such relief fully to grant and to award against the defendant, The Toledo Chewing Gum Company, a writ of subpoena of the United States District Court, 7807 for the Northern District of Ohio, Western Division, commanding it on a certain day, hereinafter to be named, and under a certain penalty, to be and appear in this Honorable Court then and there to answer all and singular the premises and to stand by and perform and abide by such above or other order, direction and decree as may be made against it.

And your orator ever prays, etc.

WM. WRIGLEY JR. COMPANY,
By A. G. COX,
Vice President.

JAMES R. OFFIELD,
Solicitors for Complainant.
JAMES R. OFFIELD,
Of Counsel.

State of Illinois, } ss.
County of Cook. }

A. G. COX, being first duly sworn, says that he is Vice President of the above named corporation, complainant, and is familiar with its business affairs; that he has read the said Bill and knows the contents thereof, and is familiar with the Exhibits therein referred to, and with the facts recited in said Bill; that as to matters and things stated to be true, the same are true in all respects and particulars, and as to the matters and things therein stated to be true upon information and belief, that he verily believes the same to be true in all respects and particulars.

A. G. Cox.

Subscribed and sworn to before me this 26th day of January, 1915.

SADIE M. RYAN,
Notary Public.

(Seal)

7808 The United States of America, } ss.
Northern District of Ohio. }

I, B. C. Miller, Clerk, of the District Court of the United States within and for said District, do hereby certify the foregoing to be a true copy of the Bill of Complaint filed in the above entitled cause in said Court, and that the same is correctly copied from the original now on file in my office.

Witness, my official signature, and the seal of said Court, at Toledo, in said District, this 20th day of August, A. D. 1918 and in the 143rd year of the Independence of the United States of America.

B. C. MILLER,
Clerk.

(Seal)

By E. I. DEAN,
Deputy Clerk.

(Endorsed) No. 122. United States District Court, Northern District of Ohio, Western Division. Wm. Wrigley Jr. Co. etc. vs. The Toledo Chewing Gum Co. etc. Certified Copy of Bill of Complaint. Filed January 29, 1915. B. C. Miller, Clerk.

7809 The United States of America,
Northern District of Ohio,
Western Division. } ss.

At a stated term of the District Court of the United States, within and for the Western Division of the Northern District of Ohio, begun and held a tthe City of Toledo, in said District, on the last Tuesday in October being the 27th day of said month, in the year of our Lord one thousand nine hundred and fifteen, and of the Independence of the United States of America, the one hundred and thirty-ninth, to wit, on Friday, the 19th day of February, A. D. 1915.

Present: Honorable John H. Clarke, United States District Judge.

Among the proceedings then and there had were the following, to wit:

7810 October term, A. D. 1914, to wit: February 19, 1915.

Present: Honorable John H. Clarke, U. S. District Judge.

Wm. Wrigley, Jr. Company,
vs.
The Toledo Chewing Gum Co. } No. 122. Equity.

This cause coming to to be heard under the pleadings as filed, together with the Exhibits, and Mr. James R. Offield appearing on behalf of the complainant and Mr. Cornell Schreiber in behalf of the defendant, and it appearing to the court that a preliminary restraining order was issued upon the 30th day of January, 1915, and that the defendant does not desire to further contest this action, but have made a certain settlement of the same and assented as follows:

1. That the said complainant is the rightful and exclusive owner of the particular color schemes and markings and arrangement of printed matter as shown upon the labels and wrappers of "Complainant's Exhibit Complainant's Spearmint Package", and "Complainant's Exhibit Complainant's Doublemint Package";

2. That the defendant has infringed and violated the ex-

clusive rights, trade marks and wrapper embellishments by the use upon the packages of defendant of certain wrapper embellishments, trade names and trade marks as appears by "Complainant's Exhibit Defendant's Fourth Package," "Complainant's Exhibit Defendant's Fifth Package", "Complainant's Exhibit Defendant's Sixth Package" and "Complainant's Exhibit Defendant's Seventh Package", filed herein;

3. That the defendant has settled for the damages and profits suffered by the complainant and accruing to the
7811 defendant by reason of the infringing acts, no reference to a Master for an accounting is made but it is:

Ordered, Adjudged and Decreed that a perpetual injunction issue as prayed for in the Bill of Complaint enjoining said defendant from the selling or marketing of chewing-gum in cartons, packages or wrappers in size, form, color, or in arrangement of printing or device, in color, language or symbols simulating the product of complainant known as "Spearmint" or "Doublemint", or simulating the wrappers or cartons or packages in which either of said products of complainant is placed upon the market for sale, and particularly are said defendants, its agents, officers, employes or representatives, enjoined and restrained from selling or offering for sale, or causing to be sold chewing gum prepared and put up for sale in wrappers or packages containing or employing printed matter or devices in color, language and form similar to exhibits to the complaint and designated as "Complainant's Exhibit Defendant's Fourth Package Snappy Spearmint Chewing Gum," "Complainant's Exhibit Defendant's Fifth Package, Superior Spearmint Chewing Gum"; "Complainant's Exhibit Defendant's Sixth Package, Genuine Spearmint chewing Gum"; or "Complainant's Exhibit Defendant's Double Eagle Product", or from selling, offering for sale or causing to be sold chewing gum in packages the printed lettering and devices of which shall employ as predominating the colors green and red, and which shall contain as distinctive the word "Double" in any combination, in connection with the use of the colors red and green, and that defendant pay the taxable Court costs in this action and in default thereof that execution issue therefor.

7812 The United States of America, } ss.
Northern District of Ohio. }

I, B. C. Miller, Clerk, of the District Court of the United States within and for said District, do hereby certify the foregoing to be a true copy of the decree entered on Journal and filed in the above entitled cause in said Court, and that the same is correctly copied from the original now on file in my office.

Witness, my official signature, and the seal of said Court, at Toledo, in said District, this 20th day of August, A. D. 1918 and in the 143rd year of the Independence of the United States of America.

B. C. Miller,
Clerk.

(Seal)

By E. I. Dean,
Deputy Clerk.

(Endorsed) No. 122. United States District Court, Northern District of Ohio, Western Division. Wm. Wrigley Jr. Company, etc. vs. The Toledo Chewing Gum Company, etc. Certified copy of Decree. Filed February 19, 1915. B. C. Miller, Clerk.

7813 LARSON EXHIBIT EX. 134.

Offered, not admitted.

Filed Jan. 7, 1925. John H. R. Jamar, Clerk.

In the United States District Court

Northern District of Georgia.

Wm. Wrigley Jr. Company, a corporation of the State of West Virginia, *Complainant,* *vs.* Louis N. Goodrich and John K. Goodrich, trading under the firm name and style of Goodrich Manufacturing & Operating Company, *Defendants.*	Unfair Competition.

BILL OF COMPLAINT.

To the Honorable the Judges of the District Court of the United States in and for the Northern District of Georgia, In Chancery sitting:

Wm. Wrigley Jr. Company, a corporation duly organized and existing under and by virtue of the laws of the State of West Virginia and a citizen of the State of West Virginia, complainant, brings this its Bill of Complaint against Louis N. Goodrich and John K. Goodrich, both citizens of the State of Georgia, and doing business in the City of Atlanta, County of Fulton, State of Georgia, under the firm name and style of Goodrich Manufacturing & Operating Company.

Whereupon your orator complains and says:

1

That prior to the year 1894 Wm. Wrigley Jr. and William Scatchard were copartners in business and engaged in the manufacture, production, marketing and sale of a wide variety of chewing-gum products of every kind, nature and description known to that business industry, and in vending the same

in large quantities throughout all the United States and territories thereof, and in adjacent foreign countries, and had a business of great extent; said copartnership and business of the said Wm. Wrigley Jr. and William Scatchard was conducted under the name of Wm. Wrigley Jr. & Co. and continued from the inception of said business in the year 1892 until the year 1903, as a copartnership. That during
7814 the year 1903 the said copartnership was dissolved, whereupon your orator's predecessor was duly incorporated and became a body corporate by virtue of the laws of the State of Illinois, under the name of Wm. Wrigley Jr. & Co. and succeeded to the business, good-will, trade-marked, tradenames and other assets of said copartnership, the same, all and singular, having been fully conveyed, transferred and assigned by the said copartners to the said corporation Wm. Wrigley Jr. & Co.

II

That on or about the 1st day of January, 1911, your orator, Wm. Wrigley Jr. Company, purchased the entire property and assets of Wm. Wrigley Jr. & Co., an Illinois corporation, together with the trade-marks, tradenames, trade-dress, good-will and trade rights in and relating to the business of your orator's predecessor, and that the business of your orator's predecessor acquired as aforesaid, and by it now carried on, consists of the manufacture, production and sale of chewing-gum products, including a product known as "Spearmint Gum" and all the trade-marks, tradenames and trade-dress and good-will relating thereto.

III

That about the year 1894 your orator's predecessor in business adopted and used as a distinguishing name and to denote and identify one of its said products, the name "Spearmint" which name was not at that time in use in connection with chewing-gum products and which never had been used, as your orator is informed and believes, in connection with its said products.

Your orator further says that a radically new form of trade-dress was adopted for its Spearmint product, both as to markings and color, the predominating colors being red, white and green for the outside wrapper, while five individual sticks of gum were separately wrapped in pink wrappers; the outside

wrapper being shorter than the individual sticks of gum, so as to leave the pink ends of the individual sticks projecting beyond the ends of the outside wrapper, and that a car-
7815 ton for containing the individual packages as originally adopted and used continuously since the year 1894 has had particular and peculiar markings thereon, the predominating colors being red, green, white and yellow.

Your orator further shows that it has caused its trademark consisting of the representation of a spear, as shown upon the wrappers and labels enclosing your orator's product, to be duly registered in the United States Patent Office, the same being numbered 64816, dated August 20th, 1907, and the same having been duly assigned by your orator's predecessor, Wm. Wrigley Jr. & Co. an Illinois corporation, to your orator, together with the good-will, and business relating thereto of your orator's predecessor, as will more fully appear from said Assignment.

IV

That the defendants, Louis N. Goodrich and John K. Goodrich, are trading under the firm name and style of Goodrich Manufacturing & Operating Company, having their office and principal place of business in the City of Atlanta, State of Georgia, and are residents and citizens of the said Northern District, State of Georgia; that said defendants are engaged in the manufacture, installation, sale and leasing of automatic and coin-controlled vending machines for the vending of chewing-gum, as well as jobbers of nuts, candy, chewing-gum, chocolate, etc.

V

That the manufacture and sale of different kinds and styles of chewing-gum products is the only items and branch of industry of your orator and that such chewing-gum products are presented and sold largely by your orator to the purchasing retail stores handling such products, in carton, boxes and packages of different sizes and shapes, varying according to the different styles of chewing-gum to be enclosed therein, and that all of said packages of your orator containing chewing-gum products are encased or enclosed by a wrapper formation, having upon the separate wrappers

your orator's spear trade-mark as well as particular
7816 and peculiar markings as to color, design and wording,
giving a distinctive and attractive appearance to your orator's products as to such wrapper appellations thereon.

VI

That your orator's predecessor in the year 1894 having adopted the peculiar form of spear as appearing upon the labels and wrappers of your orator's product as its trade-mark and the distinctive color scheme and design for the wrappers to contain your orator's Spearmint product, has continuously used the said spear trade-mark, color scheme, design or trade-dress for distinguishing its product from the goods of other manufacturers and such trade-mark, color scheme, design and trade dress has not alone been contained upon the wrappers and cartons for containing your orator's product, but has been used in all manner and forms of advertising, such as display cards in street cars, bill boards, electric signs, magazines, trade journals and newspapers throughout the United States, and your orator has expended vast sums of money for advertising its Spearmint product and making the same known to the trade and to the purchasing public.

Your orator further avers that particular emphasis in all of the various forms of your orator's advertising has been laid upon the spear trade-mark, the said spear with the word Spearmint thereon being always associated with your orator's advertising, and the public at all times has been advised through such advertising to "Look for the Spear" in order that the public might make certain that when purchasing a Spearmint product having your orator's trade-mark thereon it was obtaining the Spearmint product of your orator.

Your orator further avers that in addition to embodying the spear trade-mark of your orator in all of its various forms of advertisements, it has been the invariable practice of your orator to form the pictures upon your orator's advertisements of spears so that the representation of a spear
has become indelibly identified in the minds of the pur-
7817 chasing public with the Spearmint Chewing Gum prod-
uct of your orator and emphasis in all of the various forms of your orator's advertising has also been laid upon the particular marking, color scheme and wrapper forma-

tion of your orator's said Spearmint product and in doing so your orator has spent upwards of Four Million Dollars until the purchasing public throughout the United States has become so familiar with your orator's spear trade-mark, as well as your orator's color scheme, wrapper formation and markings thereon for its Spearmint gum product that they look primarily to your orator's spear trade-mark, and secondarily to the trade-dress as the sign and symbol of your orator's chewing gum product and the presence of such spear trade-mark, or the particular trade dress as the predominating feature or features upon the wrapper, carton or other enclosure containing a chewing gum product, is taken by the purchasing public to mean and mean only that such wrapper or enclosure contains the chewing-gum product of your orator and is of your orator's manufacture.

Your orator hereby makes an Exhibit in this case of its carton for containing its Spearmint product, together with twenty packages containing five sticks each of said product with wrapper appellations thereon, ullustrating and identifying the wrapper, trade-dress and trade-mark of the product of your orator, continuously used since its original adoption in 1894, identifying said Exhibit with this your orator's Bill of Complaint as a part thereof and marked "Complainant's Exhibit Complainant's Product."

Your orator further makes an Exhibit of its registered trade-mark No. 64816 dated August 20th, 1907, and marked "Complainant's Exhibit Complainant's Trade-mark."

VII

That the defendants, Louis N. Goodrich and John K. Goodrich, have recently been installing vending machines in public places throughout the City of Atlanta, Ga. adapted to contain single sticks of chewing-gum, said machines being owned and controlled as well as operated by the defendants 7818 and the gum sold from such machines and installed therein being supplied by the defendants and that said defendants have simulated the spear trade-mark of your orator by prominently displaying a green spear upon the front or face of their vending machines with the word "Spearmint" appearing conspicuously thereon, and that the defendants have simulated the style of lettering and general color scheme of your orator's carton, the body color of which is kellow with a green spear upon the face of the carton, by

making the body color of their vending machines yellow and having a green spear with the word "Spearmint" thereon in white letters, thereby producing and giving to their vending machines the peculiar visual appearance that was adopted by your orator and its predecessors in the year 1894, and through long years of usage has become one of the principal means for distinguishing your orator's well-known Spearmint gum product from the product of other manufacturers; your orator further averring upon information and belief that a certain number of dealers in chewing gum can be found who have purchased or permitted the installation of the defendants' gum vending machines for the sole purpose of palming off the defendants' Spearmint chewing gum upon the public as the goods of your orator and that these defendants have found as a matter of fact that the Spearmint chewing gum product can be palmed off on the public and the trade generally by enclosing the same in a vending machine having the spear trade-mark thereon of your orator and the general appearance of the well-known cartons in which your orator's Spearmint product is sold.

VIII

Your orator further avers that large quantities of its Spearmint product is sold in stick form, which consists of a single stick of gum enclosing in a paraffine wrapper and having a pink label marked with a spear on the face of the label and the word "Spearmint' appearing on said spear, and that the defendant has copies and simulated your orator's single stick wrapper by offering for sale, selling and supplying vending machines with single sticks of gum enclosed in a paraffine wrapper and with an outside pink
7819 label having a bar across the face thereof containing the word "Spearmint", a sample of which is attached and marked "Complainant's Exhibit Defts.' IXL Spearmint".

IX

Your orator further shows that the rights of your orator have been fully determined by the United States Circuit Court of Appeals in and for the Second Circuit, in the case of *Wm. Wrigley Jr. & Co.* v. *The Grove Co.*, reported in 183 Federal Reporter, page 99.

Your orator further avers that the rights of your orator

have been sustained in the case of *Wm. Wrigley Jr. Company* v. *L. P. Larson, Jr. et al,* in the Circuit Court of the United States Northern District of Illinois, Eastern Division, a printed copy of the Opinion of His Honor Judge Carpenter being attached hereto and forming a part of the Bill of Complaint and identified as "Complainant's Exhibit Judge Carpenter Opinion", reported in 195 Federal Reporter, p. 568.

X

Your orator avers upon information and belief that the defendants are preparing to install their vending machines in large quantities throughout the City of Atlanta and elsewhere, having the spear trade-mark of your orator and the trade-dress of your orator's packages thereon and that unless this Honorable Court shall grant an immediate injunction or restraining order preventing the installation or sale of such vending machines and the installation and sale of Spearmint gum having wrapper appellations thereon simulating the wrapper appellations of the complainant, that said defendants will at once utilize such delay and put its vending machines upon the market for fraudulently palming off upon the public its Spearmint product as above set forth, to the great and irreparable damage of your orator, your orator averring that the said chewing-gum product as made by the defendants or sold by them, is of an inferior
7820 grade or quality to the product of your orator, is not of the same flavor as your orator's product and is calculated and intended to and does, as a matter of fact, greatly injure the high reputation, character and quality of your orator's goods.

That this Honorable Court may be more particularly advised as to the trade property of your orator appropriated by these defendants, your orator, therefore, points out in detail the properties so appropriated by the defendants:—

1. Your orator avers that the said defendants copied, took and appropriated to their own use the spear trade-mark of your orator;

2. Your orator avers that the said defendants copied, took and appropriated to their own use a certain box substantially like the carton or box used by your orator, having adopted the same color scheme and general trade-dress of your orator's carton or box;

3. That the said defendants took in connection with its

box for vending gum bearing the spear trade-mark of your orator, individual wrappers for enclosing a single stick of gum, appropriating substantially the same color, namely, pink, having a black bar upon one of its side surfaces with the word "Spearmint" thereon resembling the well-known spear upon your orator's wrappers and thereby giving to defendants' individual wrappers the general appearance of the wrappers of your orator as evidenced by a comparison of both wrappers.

XI

That your orator upon information and belief avers that the said defendants have heretofore in many ways, directly and indirectly, offered and sold their spurious Spearmint product as and for your orator's product whereby the public has been misled and injured, and profits which have rightfully belonged to your orator diverted to the defendants, your orator further averring that the value of your orator's trade-mark and trade-dress exceeds in amount more than Five Million Dollars, and your orator further avers that the amount in dispute as to these defendants as herein set forth exceeds, exclusive of interest and costs, the sum of, 7821 to wit; Fifty Thousand Dollars ($50,000).

That these defendants have in many ways, as your orator is informed and believes and charges the fact to be, offered and sold their Spearmint product without explanation and without sufficient notice upon their vending machines to apprise the public that the Spearmint product therein is not the Spearmint product of your orator, said defendants knowing and believing that the same would be accepted by the public as being your orator's product, favorably known as "Spearmint" gum; to the great loss and injury of your orator actually sustained.

That the said defendants by fraudulently appropriating the trade-mark of your orator and by copying and simulating your orator's cartons and trade-dress, have endeavored to induce the belief that the Spearmint gum as sold by these defendants is the well known article or product in demand in the market and manufactured and sold for many years by your orator and its predecessors, as aforesaid.

XII

That the acts of these defendants as above set forth are wholly without your orator's consent and in wrongful violation of your orator's trade rights as aforesaid and your orator avers and charges the fact to be that the said acts have been committed by the said defendants fraudulently, wilfully and unlawfully and that the acts of the said defendants as above set forth, are contrary to equity and good conscience and constitute a fraudulent invasion and infringement of your orator's rights in the premises, and an unlawful invasion and infringement of your orator's trade-mark and trade-dress rights thereunder, as above set forth, which in this Honorable Court can be protected and preserved; your orator averring that the acts of these defendants herein complained of have the effect and result of enabling and permitting false and fraudulent competition in business
7822 and fraudulent and unlawful sale and substitution of the defendant's goods in lieu of your orator's goods.

And your orator prays that it may have the relief in the premises to which, in equity and good conscience it is entitled, as the same shall appear upon the facts to be just and equitable, and that it may have such relief the same as if it were here and now made the subject of a specific prayer.

To the end, therefore, that your orator may obtain the relief in the premises in this Honorable Court, where alone it can obtain relief, it humbly prays:

1. That the said defendants, Louis N. Goodrich and John K. Goodrick, be made defendants to this bill and compelled to answer the same and each and every allegation herein contained, but not under oath (answer under oath being hereby expressly waived) as fully as if directly interrogated as to each.

2. That the said defendants may be compelled to render before one of the masters in chancery of this Court full, true, perfect and complete account of all profits of every description diverted from your orator, or received by said defendants, arising out of the defendants' commitment of the infringing acts above complained of, and to account for and pay over all damages to your orator suffered by your orator by reason of such infringement and unlawful acts.

3. That the defendants, Louis N. Goodrich and John K. Goodrich, and each of them, and their representatives, serv-

ants, agents, attorneys and employees and each of them, be preliminarily restrained and in due order of time perpetually enjoined from further imitation or simulation of your orator's trade-mark and from imitating and simulating the cartons or wrappers for chewing gum of the complainant as to color in collocation with symbols and arrangement of printed matter employed by the complainant upon its cartons or wrappers and from imitating or simulating said trade-mark, cartons or wrappers of the said complainant in any manner calculated to induce the public to believe
7823 that the Spearmint gum, or other chewing-gum product of the defendants and each of them, is the complainant's product.

To the end that equity may be done and the relief herein prayed for, and all other that it may be righteous in the premises to administer, may be afforded your orator, may it please your Honors such relief fully to grant and to award against the defendants, L. N. Goodrich and John K. Goodrich, a writ of subpoena of the United States District Court for the Northern District of Georgia, commanding them on a certain day hereinafter to be named, and under a certain penalty, to be and appear in this Honorable Court, then and there to answer all and singular the premises and to stand by, perform and abide by such above or other order, direction and decree as may be made against them.

And your orator ever prays, etc.

WM. WRIGLEY, JR. COMPANY,
B. A. G. COX,
Vice-President.

(Seal)

LEE M. JORDAN.
Solicitors for Complainant.
TYE, PEEPLES & JORDAN.
JAMES R. OFFIELD.
Of counsel for Complainant.

7824 State of Illinois, }
County of Cook. }

A. G. COX, being first duly sworn, says that he is Vice President of the above named corporation, complainant, and is familiar with its business affairs; that he has read the said bill and knows the contents thereof, and is familiar with the exhibits therein referred to, and with the facts recited

in said bill; that as to matters and things stated to be true the same are true in all respects and particulars, and as to the matters and things therein stated to be true upon information and belief, that he verily believes the same to be true in all respects and particulars.

A. G. Cox.

Subscribed and sworn to before me this 11th day of January, 1913.

SADIE M. RYAN,
Notary Public

Filed in Clerk's Office January 14th, 1913. O. C. Fuller, Clerk.

7825 IN THE UNITED STATES DISTRICT COURT,

Northern District of Georgia.

Wm. Wrigley Jr. Company
versus
L. N. Goodrich and John K. Goodrich, doing business as Goodrich Manufacturing & Operating Co. } Un-Fair Competition.

FINAL DECREE

This cause coming on to be heard under the pleadings as filed and Mr. Lee M. Jordan and Mr. James R. Offield appearing on behalf of the complainant, and there being no appearance in behalf of the defendants, and it appearing to the court that the said defendants do not desire to further contest this action, but have made a certain settlement of the same and assented as follows:

1. That the complainant is the rightful and exclusive owner of the trade mark consisting of the representation of a spear and more particularly identified in Trade-mark No. 64,816, registered August 20, 1907, by Wm. Wrigley, Jr. & Co. and is the rightful and exclusive owner of the said trademark, or any simulation thereof, and is the rightful and exclusive owner of the wrapper appellation, work collocation and decorative appearance of the wrapper surrounding the individual sticks of chewing-gum as appears by complainant's Exhibits filed herewith.

2. That the defendants L. N. Goodrich and John K. Goodrich, trading under the firm name and style of Goodrich Manufacturing and Operating Company, have infringed and violated these exclusive rights, trade-mark and wrapper embellishments by the use of a green spear with the word "Spearmint" thereon, upon vending machines and upon wrappers enclosing stocks of gum in simulation of complainant's wrapper, as appears by complainant's Exhibit IXL Spearmint; Complainant's Exhibit Defendant's Spearmint product and complainant's Exhibit Green Photographs Nos. 1, 2, 3, 4 and 5.

It Is Ordered, Adjudged and Decree that a perpetual
7826 injunction issue as prayed for in the Bill of Complaint in the manner and to the extent demanded in the third (3rd) subdivision of the prayer for relief contained in the complainant's Bill of Complaint and that the defendants pay the taxable costs in this action and in default thereof that execution issue therefor.

Dated at Atlanta, Georgia, March 11, 1913.

WM. T. NEWMAN,
U. S. District Judge.

I hereby consent to the entry of the above decree.

JOHN K. GOODRICH,
For the copartnership of Goodrich Manufacturing & Operating Co.

Filed in Open Court March 11th, 1913. O. C. Fuller, Clerk, by J. D. Stewardt, Deputy.

7827 IN THE DISTRICT COURT OF THE UNITED STATES,

For The Northern District of Georgia,

Northern Division.

AUTHENTICATION OF RECORD

I, Olin C. Fuller, Clerk of the District Court of the United States for the Northern District of Georgia, do hereby certify that the foregoing and attached 15 pages of printing is a true, correct and complete copy of the original on file and of record in the Clerk's Office of said Court.

In testimony whereof I hereunto set my hand and affix the Seal of the said Court, at Atlanta, Georgia, this the 20 day of August A. D. 1918.

OLIN C. FULLER,
Clerk United States District Court, Northern District of Georgia.

(Seal)

United States of America,
Northern District of Georgia.

I, Wm. T. Newman, Judge of the United States District Court, for the Northern District of Georgia, do hereby certify that Olin C. Fuller, whose genuine signature is affixed to the foregoing certificate is, and was at the time of affixing his signature thereto, Clerk of the District Court of the United States for the Northern District of Georgia, duly appointed and qualified, that his acts and attestations given as such are entitled to full faith and credit, and that his certificate is in due form of law.

In Witness Whereof I hereunto set my hand this the 20 day of August A. D., 1918.

WM. T. NEWMAN,
United States District Judge, Northern District of Georgia.

I, Olin C. Fuller, Clerk of the said Court, so hereby certify that the Honorable Wm. T. Newman, whose genuine signature is subscribed to the foregoing certificate was, at the time of signing and attesting the same United States District Judge, for the Northern District of Georgia, duly commissioned and qualified.

Witness my hand and the Seal of said District Court, at Atlanta, Ga., this the 20 day of August A. D. 1918.

OLIN C. FULLER,
Clerk of U. S. District Court, Northern District of Georgia.

(Seal)

7828 LARSON EX. 135.

Offered, not admitted.

Filed Jan. 7, 1925, John H. R. Jamar, Clerk.

IN THE UNITED STATES DISTRICT COURT,

Southern District of Ohio,

Western Division.

Wm. Wrigley Jr. Company, a corporation organized under the laws of the State of West Virginia, *Complainant*, *v.* The Helmet Company, a Corporation organized under the laws of the State of Ohio, *Defendant.*	Unfair Competition.

BILL OF COMPLAINT.

To the Honorable Judges of the District Court of the United States in and for the Southern District of Ohio, Western Division, Sixth Circuit, in Chancery sitting.

Wm. Wrigley Jr. Company, a corporation duly organized and existing under and by virtue of the laws of the State of West Virginia, and a citizen of the State of West Virginia, complainant, brings this its Bill of Complaint against The Helmet Company, a corporation organized under the laws of the State of Ohio and a citizen of the State of Ohio and doing business in the city of Cincinnati, County of Hamilton in said state:

Whereupon your orator complains and says:

I.

That prior to the year 1894 Wm. Wrigley Jr. and William Scatchard were copartners in business and engaged in the

manufacture, production and marketing and sale of a
7829 wide variety of chewing-gum products of every kind, nature and description known to that business industry and in vending the same in large quantities throughout all the United States and territories thereof, and in adjacent foreign countries, and had a business of great extent; said copartnership and business of the said Wm. Wrigley Jr. and William Scatchard was conducted under the name of Wm. Wrigley Jr. & Co., and continued, from the inception of said business in the year 1892 until the year 1903, as a copartnership. That during the year 1903 the said copartnership was dissolved, whereupon your orator's predecessor was duly incorporated and became a body corporate by virtue of the laws of the State of Illinois, under the name of Wm. Wrigley Jr. & Co., and succeeded to the business, good-will, trade-marks, trade-names and other assets of said copartnership, the same, all and singular, having been fully conveyed, transferred and assigned by the said copartners to the said corporation Wm. Wrigley Jr. & Co.

II.

That on or about the 1st day of January, 1911, your orator, Wm. Wrigley Jr. Company, purchased the entire property and assets of Wm. Wrigley Jr. & Co., an Illinois corporation, together with the trade-marks, trade names, trade-dress, good-will and trade rights in and relating to the business of your orator's predecessor, and that the business of your orator's predecessor acquired as aforesaid, and by it now carried on, consists of the manufacture, production and sale of chewing-gum products, including a product known as "Spearmint Gum" and all the trade-marks, trade names and tradedress and good-will relating thereto.

7830 III.

That about the year 1894 your orator's predecessor in business adopted and used as a distinguishing name and to denote and identify one of its said products, the name "Spearmint", which name was not at that time in use in connection with chewing-gum products and which never had been used, as your orator is informed and believes, in connection with said products.

And your orator further says that a radially new form of

trade-dress was adopted for its Spearmint product, both as to markings and color, the predominating colors being red, white and green for the outside wrapper, while five individual sticks of gum were separately wrapped in pink wrappers; the outside wrapper being shorter than the individual sticks of gum, so as to leave the pink ends of the individual sticks projecting beyond the ends of the outside wrapper, and that a carton for containing the individual packages as originally adopted and used continuously since the year 1894 has had particular and peculiar markings thereon, the predominating colors being red, green, white and yellow.

IV.

That the defendant, The Helmet Company is a corporation organized under the laws of the State of Ohio and has its principal office and is conducting its business in the city of Cincinnati, County of Hamilton, State of Ohio and in the Southern District of said state; that said defendant is engaged in the manufacture and sale of a chewing-gum product which is enclosed in a trade-dress in fraudulent imitation of your orator's trade-dress as to wrapper appellations and in a carton embodying the trade-dress and markings of your orator's carton, for the express purpose of injuring
7831 your orator's business to the defendant's own advantage and profit and to the great damage and detriment of your orator and your orator avers that the damage which it has sustained by reason of the unlawful acts of this defendant is in excess of Fifty Thousand Dollars ($50,000.00).

V.

That the manufacture and sale of different kinds and styles of chewing-gum products is the only item and branch of industry of your orator and that such chewing-gum products are presented and sold largely by your orator to the purchasing retail stores handling such products, in cartons, boxes and packages of different sizes and shapes, varying according to the different styles of chewing-gum to be enclosed therein, and that all of said packages of your orator containing chewing-gum products are encased or enclosed by a wrapper formation, having upon the separate wrappers your orator's spear trade-mark as well as particular and peculiar markings as to color, design and wording, giving a

distinctive and attractive appearance to your orator's products as to such wrapper appellations thereon.

VI.

That your orator's predecessor, in the year 1894, having adopted this peculiar and distinctive color scheme and design for the wrappers and cartons to contain its Spearmint product, has continuously used the same color scheme, design or trade-dress for distinguishing its product from the goods of other manufacturers and such color scheme, design and trade-dress has not alone been contained upon the wrappers and cartons for containing your orator's product, but has been used in all manner and forms of advertising,
7832 such as display cards in street-cars, bill-boards, electric signs, magazines, trade journals and newspapers throughout the United States, in Canada and in other foreign countries; and your orator has expended vast sums of money in advertising its Spearmint product and making the same known to the trade and to the purchasing public, and particular emphasis in all of the various forms of your orator's advertising has been laid upon the peculiar and particular markings, color scheme and wrapper formation of your orator's said Spearmint product and in doing so, your orator has spent upwards of three millions of dollars, until the purchasing public throughout the United States has become so familiar with your orator's color scheme, wrapper formation, particular and peculiar markings and the trade-dress as a whole, for its Spearmint product that they look solely to the trade-dress as the sign and smybol of your orator's chewing-gum product, and the presence of such trade-dress as the predominating feature upon the wrapper or carton containing a chewing-gum product, is taken by the purchasing public to mean and mean only that such wrapper or carton containing chewing-gum products, is the wrapper, carton and contents and is the product of your orator.

Your orator hereby makes an Exhibit in this case of its carton for containing its Spearmint product, together with twenty packages containing five sticks each of said product with wrapper appellations thereon, illustrating and identifying the carton and wrapper, trade-dress and manner of packing of your orator's product continuously followed since its original adoption in 1894, identifying said Exhibit with this

your orator's Bill of Complaint as a part thereof and marked "Complainant's Exhibit complainant's package."

7833 VII.

That the defendant, The Helmet Company, began the manufacture and sale of its Spearmint chewing-gum product subsequent to the beginning of your orator's extensive advertising campaign for its Spearmint chewing-gum product in the year 1906 and the first Spearmint chewing-gum product placed upon the market by this defendant consisted of individual pieces of chewing-gum enclosed in tin-foil and having a pink band with the word "Mountain" displayed thereon and with five individual pieces of gum enclosed by a green counter band upon which appeared the word "Mountain" in white and the word "Spearmint" in red upon a white panel and with the outside counter band of substantially the same length as the individual sticks of gum. Your orator further avers that the carton or box in which this defendant packed its Spearmint product as above identified, was printed in substantially the same color scheme as the face of the individual packages contained therein. A sample of the defendant's original "Mountain Spearmint" chewing-gum product is hereto attached to this your orator's Bill of Complaint, as an Exhibit, and is identified as "Complainant's Exhibit, Defendant's 'Mountain Spuearmint'."

Your orator further avers that the defendant abandoned its "Mountain Spearmint" product as above identified, thereafter placing upon the market a Spearmint chewing-gum product in which the individual pieces of gum were enclosed by a pink wrapper with the word "Spearmint" prominently displayed thereon upon a black panel and that five individual pieces of gum were enclosed by a green and white counter band with the word "Spearmint" prominently displayed on the face of the packages upon a green panel. Your ora-
7834 tor hereto attaches to this its Bill of Complaint and makes as an Exhibit in this case, a box of the defendant's "I. X. L. Spearmint" product as above identified and marked as an Exhibit in this case, "Complainant's Exhibit. Defendant's 'I. X. L. Spearmint' product."

Your orator further avers that the defendant thereafter began the marketing of a Spearmint product wherein the individual sticks of chewing-gum were enclosed by a pink

wrapper and five individual pieces of gum were enclosed by a counter band, the color scheme of which was red, white and green with the word "Spearmint" prominently displayed thereon upon a green panel. Your orator attaches to this its Bill of Complaint, a box of defendant's "I. X. L. Spearmint" chewing-gum with the red, white and green label and identifies the same as "Complainant's Exhibit, Defendant's red, white and green label Spearmint product."

Your orator further avers that the defendant has only recently placed on the market a Spearmint product wherein the individual sticks of gum are enclosed by pink labels and five sticks of gum are enclosed by a counter band having red, white and green markings with the word "Spearmint" prominently displayed upon a green panel and that the carton containing defendant's latest "Helmet" product, is marked in substantially the same form as to color and design as the label on the Spearmint product within said carton. Your orator hereto attaches to this its Bill of Complaint, a box of defendant's Helmet Spearmint product, identifying the same as "Complainant's Exhibit, defendant's 'Helmet Spearmint' product."

And your orator avers that this defendant has simulated style of lettering, shape of package, peculiar markings, form of wrapper and general color scheme, thereby producing
7835 and giving to its style of package, carton and wrappers, the peculiar visual appearance that was adopted by your orator and your orator's predecessors in the year 1894 and through long years of usage, has become the predominating means for distinguishing your orator's well known Spearmint product from other gum products upon the market; your orator further averring upon information and belief, that a certain number of dealers in chewing-gum, both the wholesale jobber, the retail dealer and the street fakir, can be found who have purchased the said packages of chewing-gum from the defendant for the purpose of palming off the defendant's goods upon the public as the goods of your orator, and that this defendant has found, as a matter of fact, that the purchasing public makes no distinguishment between the packages of your orator and the Spearmint packages of this defendant and that the Spearmint product of this defendant can be palmed off on the public and trade generally as the goods and product of your orator.

VIII.

That your orator avers, upon information and belief, that the said defendant is preparing to rush and flood the trade with vast quantities of chewing-gum having the exact trade-dress of your orator, and that unless this Honorable Court shall grant an immediate injunction or restraining order preventing the sale or delivery of said packages, that said defendant will at once utilize such delay and put upon the market his fraudulent imitation of your orator's trade-dress, as above set forth, to the great and irreparable damage of your orator, your orator averring that said chewing-gum product known as "Helmet Spearmint" and as made by the defendant, is of an inferior grade or quality to
7836 the product of your orator; is not of the same flavor as your orator's product, and is calculated and intended to and does, as a matter of fact, greatly injure the high reputation, character and quality of your orator's goods.

IX.

Your orator avers that its rights to its trade-dress and trade-mark have been judicially recognized, as is evidenced by the decision of the Circuit Court of Appeals within and for the Second Circuit, in the case of *Wm. Wrigley Jr. Co.* vs. *The Grove Company, et al*, 163 Federal Reporter, Page 99; that your orator's rights have been further recognized by His Honor, Judge Carpenter, in the case of *Wm. Wrigley Jr. Co.* vs. *L. P. Larson Company* in the United States District Court within and for the Northern District of Illinois, a copy of the Opinion of His Honor, Judge Carpenter, being made an Exhibit in this case and marked "Complainant's Exhibit, Larson Opinion"; your orator further avers that its trade-rights have been recognized by His Honor, Judge Day of the United States District Court within and for the Northern District of Ohio in the case of *Wm. Wrigley Jr. Co.* vs. *J. G. Goldnbak*, and in the case of *Wm. Wrigley Jr. Co.* vs. *Edward Myers*, copies of the Opinions in both cases being made Exhibits in this case and marked "Complainant's Exhibit, Goldnbak Opinion", and "Complainant's Exhibit, Myers Opinion", and your orator's rights have been further recognized within the Sixth Judicial Circuit in the case of *Wm. Wrigley Jr. Co.* vs. *A. Colker* in the United States District Court for the Eastern District of Kentucky, a copy of His

Honor, Judge Cochran's Opinion being hereto atttached to this, your orator's Bill of Complaint, and identified as "Complainant's Exhibit, Colker Opinion". Your orator further avers that the labels attached to the opinions accom-
7837 panying the Bill of Complaint, represent the labels enjoined by the respective Courts.

X.

Your orator further avers upon information and belief, that the defendant has heretofore in many ways, directly and indirectly, offered and sold its Spearmint product as and for your orator's product whereby the public has been mislead and injured and profits which have rightfully belonged to your orator have been diverted to the defendant; your orator further averring that the value of your orator's said tradedress exceeds an amount more than Seven Million Dollars ($7,000,000.00) and your orator avers that the amount in dispute as to this defendant, as herein set forth, exceeds, exclusive of interest and costs, to wit: the sum of Fifty Thousand Dollars ($50,000.00)

That this defendant has in many ways, as your orator is informed and believes and charges the fact to be, offered and sold its Spearmint product without explanation, said defendant knowing and believing that the same would be accepted by the public as being your orator's product favorably known as "Spearmint Gum", to the great loss and injury of your orator, actually sustained.

XI.

That the acts of this defendant as above set forth are wholly without your orator's consent and in wrongful violation of your orator's rights as aforesaid, and your orator avers and charges the fact to be that the said acts have been committed by the said defendant fraudulently, wilfully and unlawfully and that said defendant exercises great skill in closely copying the wrapper appellations, advertisements, letterheads and cartons pertaining to your orator's Spear-
7838 mint product, as to show by a comparison the spurious and fraudulent imitation of your orator's Spearmint product and all things pertaining thereto, even as to detail in the subject-matter, or context of the advertisements of your orator's product.

XII.

That the acts of the said defendant, as above set forth are contrary to equity and good conscience and constitute a fraudulent invasion and infringement of your orator's rights in the premises and an unlawful invasion and infringement of your orator's trade rights and trade-dress thereunder, as above set forth, and also your orator's equitable rights in any use of such packages, cartons, wrappers, marks or wording accompanying your orator's product as herein set forth existing in equity and good law, which in this Honorable Court will be protected and preserved; your orator averring that the acts of this defendant herein complained of have the effect and result of enabling and permitting false and fraudulent competition in business and fraudulent and unlawful sale and substitution by unscrupulous persons of the defendant's goods in lieu of your orator's goods with the accompanying trade-dress as herein set forth. And your orator prays that it may have the relief in the premises to which, in equity and good conscience, it is entitled, as the same shall appear upon the facts to be just and equitable, and that it may have such relief the same as if it were here and now made the subject of a specific prayer.

To the end therefore, that your orator may obtain relief in the premises in this Honorable Court, where alone it can obtain relief, it humbly prays:

(1) That the said defendant, The Helmet Company, 7839 be made defendant to this Bill and compelled to answer the same, and each and every allegation contained hereing, but not under oath (answer under oath being hereby expressly waived,) as fully as if directly interrogated as to each.

(2) That the said defendant may be compelled to render before one of the masters in chancery of this Court, full, true and perfect and complete account of all profits of every description diverted from your orator, or received by said defendant, arising out of the defendant's commitment of the infringing acts above complained of and to account for and pay over all damages to your orator suffered by your orator by reason of such infringing and unlawful acts:

(3) That the defendant and its officers, representatives, servants, agents, attorneys and employees, and each of them, be restrained and in due order of time perpetually enjoined

from further imitation or simulation of the said cartons, packages or wrappers for chewing-gum of the complainants, as to size, form and color in collocation with symbols and arrangement of printed matter employed by the complainant upon its said cartons, packages and wrappers, and from imitating or simulating the said cartons, packages or wrappers of the complainant in any manner calculated to induce the public to believe that the Helmet Spearmint Gum, or other chewing-gum or product of the defendant, is the complainant's product.

To the end that equity may be done and the relief herein prayed for, and all other that it may be righteous in the premises to administer, may be afforded your orator, may it please Your Honors such relief fully to grant, and to award against the defendant, The Helmet Company, a writ of subpoena of the United States District Court, for the South-
7840 ern District of Ohio, Western Division, commanding it on a certain day, hereinafter to be named, and under a certain penalty, to be and appear in this Honorable Court then and there to answer all and singular the premises and to stand by and perform and abide by such above and other order, direction and decree as may be made against it.

And your orator ever prays, etc.

WM. WRIGLEY JR. COMPANY,
By A. G. COX,
Vice-President.

(Corporate seal)

JAMES R. OFFIELD,
Solicitor for Complainant,
GORDON, MORRILL & GINTER,
Of Counsel.

State of Illinois, }
County of Cook. } ss.

A. G. COX, being first duly sworn, says that he is Vice-President of the above named corporation, complainant and is familiar with its business affairs; that he has read the said Bill and knows the contents thereof, and is familiar with the Exhibits therein referred to, and with the facts recited in said bill; that as to matters and things stated to be true, the same are true in all respects and particulars, and as to the matters and things therein stated to be true upon information

and belief, that he verily believes the same to be true in all respects and particulars.

A. G. Cox,

Subscribed and sworn to before me this third day of June, 1914.

7841 GEORGE J. NEUMANN,
(Seal). *Notary Public.*

My commission expires Feb. 20, 1917.

7842 The United States of America,
Southern District of Ohio,
Western Division. } ss.

I, B. E. Dilley, Clerk of the District Court of the United States within and for the District and Division aforesaid, do hereby certify that the foregoing is a true and correct copy of the original Bill of Complaint filed June 10th, 1914, as the same appears on file and of record in the office of the Clerk of said Court, in the therein entitled cause.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of said Court, in the City of Cinti., Ohio, this 21st day of August, A. D. 1918.

B. E. DILLEY,
(Seal) *Clerk.*
By F. A. HIGHT,
Deputy.

(Endorsed) In Equity, No. 40 United States District Court, Southern District of Ohio, Western Division. Wm. Wrigley Jr. Company, vs. The Helmet Company. Certified Copy of Bill of Complaint. Filed June 10, 1914, B. E. Dilley, Clerk. James R. Offield, Monadnock Block, Chicago.

7843 UNITED STATES DISTRICT COURT,

Southern District of Ohio,

Western Division.

Wm. Wrigley, Jr., Company, a corporation, *Complainant,* *vs.* The Helmet Company, a corporation, *Defendant.*	No. 40, In Equity.

FINAL DECREE.

This cause coming on to be heard before his Honor, Howard C. Hollister, at Cincinnati, Ohio, December 10th, 1915, on the pleadings, exhibits and testimony taken in open court and having been argued by counsel for the respective parties, to wit: James R. Offield of Chicago, Illinois, and Albert H. Morrill of Gordon, Morrill & Ginter, Cincinnati, Ohio, in behalf of the complainant, and Gilbert Bettman of Kramer & Bettman of Cincinnati, Ohio, in behalf of the defendant.

It is hereby Ordered, Adjudged and Decreed as follows:

1st. That the complainant is the rightful and exclusive owner of the particular color schemes and markings and arrangement of printed matter as shown upon the labels and wrappers of "Complainant's Exhibit Complainant's Package."

2nd. That the defendant has infringed and violated the exclusive rights, trade-dress and wrapper embellishments by the use upon the packages of the defendant of certain wrapper embellishments, trade-names and trade-dress as appears by "Complainant's Exhibit Defendant's IXL Spearmint" and "Complainant's Exhibit Defendant's Helmet Spearmint Product."

7844 3rd. That the said complainant has the right to recover any and all profits accruing to said defendant from the unlawful violation and infringement of said complainant's rights, and recover all damages suffered by and accruing to said complainant by reason of the committment of said unlawful and infringing acts, together with the costs herein to be taxed; and that the same may be referred to

Oliver S. Bryant, he being a suitable person as Master of this Court to take, state and report an account of such damages and profits under and in accordance with this Decree, and that upon such accounting the testimony heretofore taken by either party in this case may be read by either party, and referred to and considered by said Master.

4th. That a perpetual injunction issue as prayed for in the Bill of Complaint enjoining said defendant from the selling or marketing of chewing gum in cartons, packages or wrappers in size, form, color, or in arrangement of printing or device, in color, language or symbols, simulating the product of complainant identified in the Bill of Complaint as "Complainant's Exhibit Complainant's Package", and particularly is said defendants, its agents, officers, employees or representatives, enjoined and restrained from selling or offering for sale, or causing to be sold, chewing gum prepared and put up for sale in wrappers or packages containing or employing printed matter or devices in color, language and form similar to Complainant's Exhibits designated as "Complainant's Exhibit Defendant's IXL Spearmint" and Complainant's Exhibit Defendant's Helmet Spearmint Product" and Complainant's Exhibit Defendant's Red, White and Green Label Spearmint Product"; and the court finding no infringement of trade-dress with respect to defendant's use of the Moun-
7845 tain Brand Label, no injunction is issued with respect thereto; and that defendant pay the taxable court costs in this action, and in default thereof, that execution issue therefor.

Dated at Cincinnati, Ohio, June 3d, 1916.

(signed) HOLLISTER,
U. S. District Judge.

7846 United States of America,
Southern District of Ohio, } ss.
Western Division.

I, B. E. Dilley, Clerk of the District Court of the United States within and for the District and Division aforesaid, do hereby certify that the foregoing is a true and correct copy of the original Final Decree entered by Hon. Howard C. Hollister, U. S. District Judge, S. D. O., on June 3rd, 1916, as the same appears on file and of record in the office of the Clerk of said Court, in the therein entitled cause.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of said Court, in the City of Cinti., Ohio, this 20th day of August, A. D. 1918.

B. E. DILLEY
Clerk.

(Seal)

By F. A. HIGHT
Deputy.

(Endorsed) In Equity No. 40 United States District Court, Southern District of Ohio, Western Division. Wm. Wrigley, Jr., Company, a corporation, Complainat, vs. The Helmet Company, a corporation, Defendant. Certified Copy of Final Decree. Have Seen, Kramer & Bettman, Attys for Defendant. O. K. Gordon, Morrill & Ginter, Attys for Pltf. Filed June 3, 1916, B. E. Dilley, Clerk.

7847 LARSON EXHIBIT 136.

Offered, not admitted.

Filed Jan. 7—1925 at ..... o'clock ..... M. John H. R. Jamar, Clerk.

IN THE UNITED STATES DISTRICT COURT

Northern District of Ohio

Eastern Division.

Wm. Wrigley, Jr. Company, a corporation of West Virginia
Complainant
vs.
J. Goldnbak, a citizen of the State of Ohio,
Defendant.
No. 213. Equity.

BILL OF COMPLAINT UNFAIR COMPETITION.

To the Honorable Judges of the District Court of the United States, in and for the Eastern District of Ohio, Eastern Division:

Wm. Wrigley, Jr. Company, a corporation duly organized under the laws of the State of West Virginia and citizen of the State of West Virginia, complainat, brings this its Bill of Complaint against J. Goldnbak, a residence of the City of Cleveland, and a citizen of the State of Ohio and doing business in the City of Cleveland in said State:

Whereupon your orator complains and says:

I.

That prior to the year 1894 Wm. Wrigley, Jr. and William Scatchard were copartners in business and engaged in the manufacture, production, marketing and sale of a wide variety of chewing-gum products of every kind, nature and description known to that business industry, and in vending the same in large quantities throughout all the United States

and territories thereof, and in adjacent foreign countries, and had a business of great extent; said copartnership and business of the said Wm. Wrigley, Jr. and William Scatchard was conducted under the name of Wm. Wrigley Jr. & Co., and continued, from the inception of said business in the year 1892 until the year 1903, as a copartnership. That dur-
7848 ing the year 1903 the said copartnership was dissolved, whereupon your orator's predecessor was duly incorporated and became a body corporate by virtue of the laws of the State of Illinois under the name of Wm. Wrigley, Jr. & Co., and succeeded to the business, good-will, trade-marks, tradenames and other assets of said copartnership, the same, all and singular, having been fully conveyed, transferred and assigned by the said copartners to the said corporation Wm. Wrigley, Jr. & Co.

II.

That on or about the 1st day of January, 1911 your orator, Wm. Wrigley, Jr. Company, purchased the entire property and assets of Wm. Wrigley, Jr. & Co., an Illinois corporation, together with the trade-marks, tradenames, trade-dress, good-will and trade rights in and relating to the business of your orator's predecessor, and that the business of your orator's predecessor acquired as aforesaid, and by it now carried on, consists of the manufacture, production and sale of chewing-gum products, including a product known as "Spearmint Gum" and all the trade-marks, tradsnames and trade-dress and good-will relating thereto.

III.

That about the year 1894 your orator's predecessor in business adopted and used as a distinguishing name and to denote and identify one of its said products, the name "Spearmint", which name was not at that time in use in connection with chewing-gum products and which never had been used, as your orator is informed and believes, in connection with its said products.

And your orator further says that a radically new form of trade-dress was adopted for its Spearmint product,
7849 both as to markings and color, the predominating colors being red, white and green for the outside wrapper, while five individual sticks of gum were separately wrapped

in pink wrappers; the outside wrapper being shorter than the individual sticks of gum so as to leave the pink ends of the individual sticks projecting beyond the ends of the outside wrapper, and that a carton for containing the individual packages as originally adopted and used continuously since the year 1894 has had particular and peculiar markings thereon, the predominating colors being red, green, white and yellow.

IV.

That the defendant, J. Goldnbak, is a citizen of the State of Ohia and is conducting his business in the City of Cleveland in said State and in the Northern District of Ohio and Eastern Division thereof and is trading under his own name; that said defendant is engaged in the sale of a chewing-gum product under the tradename Spearmint and is conspiring with Percy H. Short of London, Canada, to market and sell a Spearmint Gum produce so marketed as to constitute a fraudulent imitation of your orator's trade-names, trade-marks and trade-dress, oth as to wrapper appellations and cartons, for the purpose of injuring your orator's business, to the defendant's advantage and profit and to the great damage and detriment of your orator as hereinafter mode fully set forth.

V.

That the manufacture and sale of different kinds and styles of chewing-gum products is the only item and branch of industry of your orator and that such chewing-gum products are presented and sold largely by your orator to the purchasing retail stores handling such products, in cartons, boxes and packages of different sizes and shapes, varying ac-
7850 cording to the different styles of chewing-gum to be enclosed therein, and that all of said packages of your orator containing chewing-gum products are encased or enclosed by a wrapper formation, having upon the separate wrappers your orator's spear trade-mark as well as particular and peculiar markings as to color, design and wording, giving a distinctive and attractive appearance to your orator's products as to such wrapper appellations thereon.

VI.

That your orator's predecessor, in the year 1894, having adopted this peculiar and distinctive color scheme and design for the wrappers and cartons to contain its Spearmint product, has continuously used the same color scheme, design, or trade-dress for distinguishing its product from the goods of other manufacturers and such color scheme, design and trade-dress has not alone been contained upon the wrappers and cartons for containing your orator's product, but has been used in all manner and forms of advertising, such as display cards in street-cars, bill-boards, electric signs, magazines, trade journals and newspapers throughout the United States, in Canada and in other foreign countries; and in your orator has expended vast sums of money in advertising its Spearmint product and making the same known to the trade and to the purchasing public, and particular emphasis in all of the various forms of your orator's advertising has been laid upon the peculiar and particular markings, color scheme and wrapper formations of your orator's said Spearmint product and in doing so, your orator has spent upwards of three millions of dollars, until the purchasing public throughout the United States has become so familiar with your orator's color scheme, wrapper formation, particular and peculiar
7851 markings and the trade-dress as a whole, for its Spearmint product that they look solely to the trade-dress as the sign and symbol of your orator's chewing-gum product, and the presence of such trade-dress as the predominating feature upon the wrapper or carton containing a schewing-gum product, is taken by the purchasing public to mean and mean only that such wrapper or carton containing chewing-gum products, is the wrapper, carton and contents and is the product of your orator.

Your orator hereby makes an Exhibit in this case of its carton for containing its Spearmint product, together with twenty packages containing five sticks each of said product with wrapper appellations thereon, illustrating and identifying the carton and wrapper, trade-dress and manner of packing of your orator's product continuously followed since its original adoption in 1894, identifying said Exhibit with this your orator's Bill of Complaint as a part thereof and marked "Complainant's Exhibit Complainant's Package."

VII.

That the defendant has only recently engaged in the sale of chewing-gum and is allied and associated with a foreign manufacturer manufacturing gum in the Dominion of Canada and placing said foreign product upon the market without complying with the provisions of the Government as to the Pure Food law, and that this defendant is the agent of the foreign manufacturer or representative in the State of Ohio.

Your orator further states that this defendant has simulated the style of lettering, shape of package, peculiar markings, form of wrapping and general color scheme, thereby producing and giving to his style of package, cartons and wrappers the peculiar visual appearance that was 7851½ adopted by your orator and your orator's predecessor in the year 1894 and through long years of usage has become the predominating means for designating your orator's well-known Spearmint gum product; your orator further averring upon information and belief that a certain number of dealers in chewing-gum, both the wholesale jobber and the retail dealer, can be found who have purchased the said packages of chewing-gum known as "Spearmint" from the defendant, for the purpose of palming off the defendant's goods upon the public as the goods upon the public as the goods of your orator and that this defendant has found, as a matter of fact, that the purchasing public makes no distinguishment between the two packages and that the Spearmint Gum product of this defendant can be palmed off on the public and trade generally as the goods and packages of your orator.

Your orator hereby makes an Exhibit in this case of a carton of the Spearmint product of the defendant, identifying said Exhibit with this your orator's Bill of Complaint, as a part thereof, and marked "Complainant's Exhibit Defendant's Carton and Product."

VIII.

That your orator avers, upon information and belief, that the said defendant is preparing to rush and flood the trade with vast quantities of chewing-gum having the exact tradedress of your orator, and that unless this Honorable Court shall grant an immediate injunction or restraining order preventing the sale or delivery of said packages, that said de-

fendant will at once utilize such delay and put upon the market its fraudulent imitation of your orator's trade-dress, as above set forth, to the great and irreparable dam-
7852 age of your orator, your orator averring that said chewing-gum product as sold by the defendant, is of an inferior grade or quality to the product of your orator, is not of the same flavor as your orator's product, and is calculated and intended to and does, as a matter of fact, greatly injure the high reputation character and quality of your orator's goods.

That this Honorable Court may be more particularly advised as to the trade property of your orator appropriated by this defendant, your orator therefore points out in detail the property so appropriated by the defendant,

(1) Your orator avers that the said defendant copied, took and appropriated to his own use a certain carton or box substantially like the carton of box used by your orator, having adopted the same color scheme, markings, form of lettering and the general trade-dress of your orator's carton.

(2) That said defendant took in connection with his carton the individual wrappers for enclosing a single stick of gum, appropriating substantially the same color, namely, pink, having a black bar upon one of its side surfaces with the word "Spearmint" thereon, resembling the well-known spear upon your orator's wrappers and upon the rear or opposite side of said individual wrapper the said defendant has appropriated substantially the same wording, thereby giving to defendant's individual wrappers the general appearance of the wrappers of your orator as evidenced by a comparison of both wrappers.

(3) Your orator avers that said defendant copied and took the outside white wrapper of your orator, both as to color scheme, general marking, form of lettering and manner
7853 of wrapping, thereby giving to a single package containing five sticks of gum of the defendant's product the same visual appearance as your orator's product.

(4) Your orator further avers that both the cartons, the individual wrappers and the outside wrappers and manner of packing of the defendant's product, has the same general appearance as the cartons, individual wrappers, outside wrappers and general appearance as your orator's product.

IX.

That your orator, upon information and belief, avers that the said defendant has heretofore in many ways, directly and indirectly, offered and sold said product as and for your orator's product, whereby the public has been misled and injured, and profits which have rightfully belonged to your orator diverted to the defendant, your orator further averring that the value of your orator's said trade-dress exceeds in amount more than four millions of dollars, and your orator avers that the amount in dispute as to this defendant as herein set forth, exceeds exclusive of interest and cost, the sum of to wit, Three Thousand Dollars ($3,000).

That this defendant has in many ways, as your orator is informed and believes and charges the fact to be, offered and sold his said Spearmint product without explanation said defendant knowing and believing that the same would be accepted by the public as being your orator's product, favorably known as "Spearmint Gum", to the great loss and injury of your orator actually sustained.

That the said defendant by fraudulent and misleading representations and by many dealers handling the product of the said defendant, and by circulars, letterheads, advertisements and otherwise, has endeavored to induce the belief that
7854 the gum as sold by the defendant is the well-known article or product of demand in the market and manufactured and sold for many years by your orator and its predecessors as aforesaid.

X.

That the acts of this defendant as above set forth are wholly without your orator's consent and in wrongful violation of your orator's rights as aforesaid, and your orator avers and charges the fact to be that the said acts have been committed by the said defendant fraudulently, wilfully and unlawfully and that said defendant exercises great skill in closely copying the wrapper appellations, advertisements, letterheads and cartons pertaining to your orator's Spearmint product, as to show by a comparison the spurious and fraudulent imitation of your orator's Spearmint product and all things pertaining thereto, even as to detail in the subject-matter, or context, of the advertisements of your orator's product.

XI.

That the acts of the said defendant, as above set forth are contrary to equity and good conscience and constitute a fraudulent invasion and infringement of your orator's rights in the premises and an unlawful invasion and infringement of your orator's trade rights and trade-dress thereunder, as above set forth, and also your orator's equitable rights in any use of such packages, cartons, wrappers, marks or wording accompanying your orator's product as herein set forth existing in equity and good law, which in this Honorable Court will be protected and preserved; your orator averring that the acts of this defendant herein complained of have the effect and result of enabling and permitting false and fraudulent competition in business and fraudulent and unlawful sale
7855 and substitution by unscrupulous persons of the defendant's goods in lieu of your orator's goods with the accompanying trade-dress as herein set forth. And your orator prays that it may have the relief in the premises to which, in equity and good conscience, it is entitled, as the same shall appear upon the facts to be just and equitable, and that it may have such relief the same as if it were here and now made the subject of a specific prayer.

To the end, therefore, that your orator may obtain relief in the premises in this Honorable Court, where alone it can obtain relief, it humbly prays:

1. That the said defendant, J. Goldnbak, be made a defendant to this Bill and compelled to answer the same, and each and every allegation herein contained, but not under oath (answer under oath being hereby expressly waived), as fully as if directly interrogated as to each;

2. That the said defendant may be compelled to render before one of the masters in chancery of this Court full, true, perfect and complete account of all profits of every description diverted from your orator, or received by said defendant, arising out of the defendant's commitment of the infringing acts above complained of and to account for and pay over all damages to your orator suffered by your orator by reason of such infringing and unlawful acts;

3. That the defendant, J. Goldnbak, and his representatives, servants, agents, attorneys and employees, and each of them, be restrained and in due order of time perpetually enjoined from further imitation or simulation of the said cartons, packages or wrappers for chewing-gum of the com-

plainant, as to size, form and color in collocation with symbols and arrangement of printed matter employed by the complainant upon its said cartons, packages and wrappers, and from imitating or simulating the said cartons, packages 7856 or wrappers of the complainant in any manner calculated to induce the public to believe that the Spearmint Gum, or other chewing-gum or product of the defendant, is the complainant's product.

To the end that equity may be done and the relief herein prayed for, and all other that it may be righteous in the premises to administer, may be afforded your orator, may it please your Honors such relief fully to grant, and to award against the defendant, J. Goldnbak, a writ of subpoena of the United States District Court, for the Northern District of Ohio, Eastern Division, commanding him on a certain day, hereinafter to be named, and under a certain penalty, to be and appear in this Honorable Court then and there to answer all and singular the premises and to stand by and perform and abide by such above or other order, direction and decree as may be made against them.

Your orator ever prays, etc.

WM. WRIGLEY, JR. COMPANY,
By A. G. Cox,
Vice President.

(Seal)
R. S. LEONARD,
OFFIELD, TOWLE, GRAVES & OFFIELD,
Solicitors for Complainant.
JAMES R. OFFIELD,
Of Counsel for Complainant.

State of Illinois, } ss.
County of Cook. }

A. G. COX, being first duly sworn, says that he is vice-president of the above named corporation, complainant, and is familiar with its business affairs; that he has read the said bill and knows the contents thereof, and is familiar with the exhibits therein referred to, and with the facts recited in said bill; that as to matters and things stated to be true the same are true in all respects and particulars, and as to the matters and things therein stated to be true upon information and belief, that he verily believes the same to be true in all respects and particulars.

A. G. Cox.

Subscribed and sworn to before me this 18th day of December, 1913.

SADIE M. RYAN,
Notary Public.

(Seal)

7857 IN THE DISTRICT COURT OF THE UNITED STATES

Northern District of Ohio,

Eastern Division.

Wm. Wrigley, Jr. Company,
Complainant,
vs.
J. Goldnbak,
Defendant.
} No. 213.

State of Ohio,
County of Cuyahoga. } ss.

R. S. LEONARD being first duly sworn deposes and says that he is of legal age and that upon December 13th, 1913, he purchased two packages of Spearmint Chewing Gum from the defendant in the above entitled cause, said defendant selling said gum at the corner of Ontario and Michigan Streets in the City of Cleveland; that deponent purchased two packages of said product for the sum of five cents.

Deponent further states that he personally talked with the defendant and that defendant advised him that he (defendant) had the agency for the sale of said product for the State of Ohio and that said defendant expected a considerable shipment of said product in the near future for the purpose of selling it to Christmas shoppers.

Deponent further states that in deponent's opinion the single packages of gum sold by this defendant and the cartons used by this defendant for the sale thereof, have such a close resemblance to the cartons and packages of the complainant,

7858 that defendant's product may be palmed off upon the public as and for the complainant's product.

And further deponent sayeth not.

R. S. LEONARD.

Subscribed and sworn to before me this 19th day of December, 1913.

F. J. DENZLER,
Notary Public.

(Seal)

7859 The United States of America, } ss.
Northern District of Ohio. }

I, B. C. Miller, Clerk, of the District Court of the United States within and for said District, do hereby certify the foregoing to be a true copy of the Bill of Complaint filed in the above entitled cause in said Court, and that the same is correctly copied from the original now on file in my office.

Witness, my official signature, and the seal of said Court, at Cleveland, in said District, this 21 day of August A. D. 1918 and in the 143rd year of the Independence of the United States of America.

B. C. MILLER,
Clerk.

(Seal)

By F. J. DENZLER,
Deputy Clerk.

(Endorsed) No. 213. United States District Court, Northern District of Ohio, Eastern Division. Wm. Wrigley, Jr. Company a corp. of West Virginia vs. J. Goldnbak. Certified Copy of Bill of Complaint. Filed Dec. 19, 1913. B. C. Miller, Clerk.

7860 The United States of America,
Northern District of Ohio,
Eastern Division. } ss.

At a stated term of the District Court of the United States, within and for the Eastern Division of the Northern District of Ohio, begun and held at the City of Cleveland, in said District, on the first Tuesday in October being the 6th day of said month, in the year of our Lord one thousand nine hundred and fourteen, and of the Independence of the United States of America, the one hundred and thirty-ninth, to wit: on Thursday, the 12th day of November, A. D. 1914.

Present: Honorable John H. Clarke, United States District Judge.

Among the proceedings then and there had were the following, to wit:

Wm. Wrigley Jr. Company
vs.
J. Goldnbak. } No. 213. Equity.

This Cause came on to be heard on the motion of the complainant by James R. Offield, Solicitor for the complainant, to enter a decree pro confesso herein; and it appearing to the court that the complainant filed its bill of complaint herein on, to wit, the 19th day of December, 1913, and motion papers for an injunction, together with affidavits in support of said motion; and it appearing that on the 19th day of December, 1913, an order was entered by the court setting said motion for preliminary injunction down for hearing on the 23rd day of December, 1913, and that complainant served copies of the bill, affidavits and moving papers on the defendant; and it further appearing that on the 23rd day of December, 1913, an order was entered by the court granting said preliminary injunction; no one appearing for the defendant; there-
7861 upon, in consideration of the premises, and the court being fully advised, it is Ordered, Adjudged and Decreed and the court doth hereby Order, Adjudge and Decree as follows, to wit:

1. That all the material allegations of the said bill of complaint are true.

2. It is further Ordered, Adjudged and Decreed and the court doth hereby Order, Adjudge and Decree that the said defendant, J. Goldnbak, his agents, clerks, servants and employees, and each of them, are hereby perpetually enjoined from manufacturing, selling, advertising, offering or announcing for sale, or supplying, chewing-gum in packages or boxes under labels substantially identical with or like the boxes, packages and labels of the complainant, employed for that purpose; or in boxes or packages or under labels which are calculated to deceive purchasers or consumers into the belief that the chewing-gum manufactured or sold by the defendant is the product of the complainant, or which will enable others to substitute or sell the product of the defendant as and for the product of the complainant.

3. It is further Ordered, Adjudged and Decreed that the complainant is to recover of the defendant the costs herein to be taxed and that complainant have execution therefor.

7862 The United States of America,
Northern District of Ohio,
Eastern Division.

I, B. C. Miller, Clerk of the District Court of the United States, within and for said District, do hereby certify that I have compared the within and foregoing transcript with the original Final Decree entered upon the Journal of the proceedings of said Court in the therein entitled cause, at the term, and on the day therein named; and do further certify that the same is a true, full and complete transcript and copy thereof.

Witness, my official signature, and the seal of said Court at Cleveland, in said District, this 20 day of August, A. D. 1918 and in the 143rd year of the Independence of the United States of America.

B. C. Miller,
Clerk.

(Seal)

By F. J. Denzler,
Deputy Clerk.

(Endorsed) No. 213. United States District Court, Northern District of Ohio, Eastern Division. Wm. Wrigley Jr. Company vs. J. Goldnbak. Certified Copy of Final Decree. Filed November 12, 1914. B. C. Miller, Clerk.

7863 LARSON EXHIBIT 137.

Offered, not admitted.

Filed Jan 7-1925 John H. R. Jamar Clerk.

BILL OF COMPLAINT.

Filed July 9, 1915.

IN THE UNITED STATES DISTRICT COURT

For the Eastern District of Kentucky.

Wm. Wrigley, Jr., Co., a corporation organized under the laws of West Virginia,
Complainant
vs.
A. Colker, a citizen of the State of Kentucky, trading under the firm name and style of U. S. Chicle Co.,
Defendant.

2991
Unfair Competition

To the Honorable Judges of the District Court of the United States, in and for the Eastern District of Kentucky, Sixth Circuit, in Chancery Sitting:

Wm. Wrigley, Jr., Company, a corporation duly organized and existing under and by virtue of the laws of the State of West Virginia, and a citizen of the State of West Virginia, complainant, brings this its Bill of Complaint against A. Colker a citizen of the United States residing in the City of Newport, County of Campbell, State of Kentucky, and a citizen of said State, and doing business in the City of Newport;

Whereupon your orator complains and says:

I.

That prior to the year 1894, Wm. Wrigley, Jr., and William Scratchard were copartners in business and engaged in the manufacture, production, marketing and sale of a wide variety of chewing gum products of every kind. nature and de-

scription known to that business industry, and in vending
the same in large quantities throughout all the United
7864 States and territories thereof, and in adjacent foreign
countries, and had a business of great extent; said co-
partnership and business of the said Wm. Wrigley, Jr., and
William Scatchard was conducted under the name of Wm.
Wrigley, Jr. & Company, and continued, from the inception
of said business in the year 1892, until the year 1903, as a
copartnership. That during the year 1903, the said copart-
nership was dissolved and became a body corporate by vir-
tue of the laws of the State of Illinois, under the name of
Wm. Wrigley, Jr. & Company, and succeeded to the busi-
ness, good-will, trade-marks, trade names and other assets
of said copartnership, the same, all and singular, having been
fully conveyed, transferred and assigned by the said co-
partners to the said corporation Wm. Wrigley Jr. & Co.

II.

That on or about the 1st day of January, 1911, your orator, Wm. Wrigley Jr. Company, purchased the entire property and assets of Wm. Wrigley, Jr. & Company, an Illinois corporation, together with the trade-marks, trade-names, trade-dress, good-will and trade rights in and re lating to the business of your orator's predecessor, and that the business of your orator's predecessor acquired as afore-said, and by it now carried on, consists of the manufacture, production and sale of chewing gum products, including a product known as "Spearmint" gum and all the trademarks, tradenames and trade-dress and good-will relating thereto.

III.

That about the year 1894 your orator's predecessor in busi-
ness adopted and used as a distinguishing name and to de-
note and identify one of its said products, the name
7865 "Spearmint", which name was not at that time in use
in connection with chewing gum products and which
never had been used, as your orator is informed and believes,
in connection with said products.

And your orator further says that a radically new form of trade-dress was adopted for its Spearmint product, both as to markings and color, the predominating colors being red, white and green for the outside wrapper, while five individ-

ual sticks of gum were separately wrapped in pink wrappers; the outside wrapper being shorter than the individual sticks of gum, so as to leave the pink ends of the individual sticks projecting beyond the ends of the outside wrapper, and that a carton for containing the individual packages as originally adopted and used continuously since the year 1894 has had particular and peculiar markings thereon, the predominating colors being red, green, white and yellow.

IV.

Your orator further avers that on or about July 1, 1914, your orator placed upon the market a peppermint flavored chewing gum product and desiring to distinguish said product, by name, from all other similarly flavored chewing gum products then upon the market, your orator adopted and used the trade name or mark "Doublemint". Your orator desiring, however, to closely identify its Doublemint product with its world wide known Spearmint product, adopted and used the said colors of red, white and green heretofore used to distinguish its Spearmint product and in order that the two different packages of your orator's product might
7866 be readily distinguishable from from each other your orator adopted a green wrapper for the individual sticks of gum of peppermint flavor which are thus easily distinguished from the pink individual wrappers of the Spearmint product.

V.

That your orator has widely advertised both its Spearmint and Doublemint chewing gum products in every conceivable manner and form of publicity advertising, having expended over Ten Millions of Dollars in making its Spearmint product known to the purchasing public and such advertising matter has largely consisted in reproductions of your orator's Spearmint and Doublemint packages whereby the appearance of said packages have become indelibly impressed upon the minds of the purchasing public as to general color scheme, form and arrangement of subject matter. Your orator further avers that the greater portion of the advertising matter placed before the public by your orator has been color advertisements and throughout all of such advertise-

ments the predominating colors of red, white and green have been prominently displayed.

A box of your orator's Spearmint product and a box of your orator's Doublemint product are hereby attached to this your orator's Bill of Complaint and identified as Complainant's Exhibits No. 1 and No. 2 respectively.

VI.

That the defendant, A. Colker, is an individual trading under his own name and under the assumed business names of Spear Gum Company, Newport Gum Company, U. S. Chicle Company, A. Colker Manufacturing Co., and
7867 possibly others, and has his principal office and is conducting his business in the City of Newport, County of Campbell, State of Kentucky and in the Eastern District of said State; that said defendant is engaged in the manufacture and sale of a chewing gum product which is enclosed in a trade dress in fraudulent imitation of your orator's trade-dress as to wrapper appellations, for the express purpose of injuring your orator's business, to the defendant's own advantage and profit and to the great damage and detriment of your orator; and your orator avers that the damage which it has sustained by reason of the unlawful acts of this defendant are in excess of Three Thousand Dollars ($3000.00).

VII.

Your orator further shows that this defendant has heretofore infringed upon the trade-rights of your orator, suit having been brought by your orator against said defendant in the U. S. District Court for the Eastern District of Kentucky, No. 2892, which cause came on for final hearing on or about the 13th day of April, 1914, upon which date an opinion was rendered by His Honor Judge Cochran, a copy of said opinion being attached to this your orator's bill of complaint and marked Complainant's Exhibit No. 3.

VIII.

That the defendant, A. Colker, has been manufacturing and selling various brands of chewing gum and for the purpose of concealing his own identity not only from the purchasing public but from the manufacturers as well, whose

rights the defendant may infringe upon, and said defendant is now endeavoring to market and sell both a Spear-
7868 mint flavored chewing gum and a Peppermint flavored gum purporting to be of the manufacture of U. S. Chicle Co., but your orator believes and so alleges that the said U. S. Chicle Co., is merely a name adopted by this defendant to conceal his identity and that said company has no legal existence, is not known to the business world and is used only as a cloak to cover up the illegal acts of the defendant.

IX.

That the said defendant has simulated the style of lettering, shape of package, peculiar markings, form, wrapping and general color scheme of both his Spearmint and Peppermint products, thereby producing and giving to his packages, cartons and wrappers the peculiar visual appearance which distinguishes your orator's products from all other products upon the market and which, through a long period of use and great sums of money spent in advertising, have become the predominating means for designating your orator's products; your orator further averring upon information and belief, that a certain number of dealers in chewing gum, both the wholesale jobber and the retailer, can be found who have purchased the said packages of chewing gum from the defendant, for the purpose of palming off the defendant's goods upon the public as the goods of your orator and that this defendant has found, as a matter of fact, that the purchasing public makes no distinguishment between the packages of your orator and the packages of the defendant and that the Spearmint and Peppermint products of this defendant can be palmed off on the public and trade generally as the goods and packages of your orator.

7869 A box of the defendant's Spearmint and a box of the Defendant's Peppermint products are here offered in evidence and attached to this your orator's bill of complaint and marked Complainant's Exhibits 4 and 5 respectively.

X.

That your orator avers, upon information and belief, that the said defendant is preparing to rush and flood the trade with vast quantities of chewing gum having the exact tradedress of your orator, and that unless this Honorable Court

shall grant an immediate injunction or restraining order preventing the sale or delivery of said packages, that said defendant will at once utilize such delay and put upon the market his fraudulent imitation of your orator's trade-dress, as above set forth, to the great and irreparable damage of your orator, your orator averring that said chewing gum product known as "Michigan Spearmint", and as made by the defendant, is of an inferior grade or quality to the product of your orator, is not of the same flavor as your orator's product, and is calculated and intended to and does, as a matter of fact, greatly injure the high reputation, character and quality of your orator's goods.

XI.

Your orator, upon information and belief, avers that the said defendant has heretofore in many ways directly and indirectly, offered his said Spearmint and Peppermint products as and for your orator's products, whereby the public has been misled and injured, and profits which have rightfully belonged to your orator, diverted to the defend-
7870 ant; your orator further averring that the value of your orator's said trade-dress exceeds in amount more than Ten Millions of Dollars and your orator avers that the amount in dispute as to this defendant as herein set forth, exceeds exclusive of interest and costs, the sum of towit, Three Thousand Dollars ($3000.00).

XII.

That the acts of this defendant as above set forth, are wholly without your orator's consent and in wrongful violation of your orator's rights as aforesaid, and your orator avers and charges the fact to be that the said acts have been committed by the said defendant fraudulently, wilfully and unlawfully and that said defendant exercises great skill in closely copying the wrapper appelations, advertisements, letterheads and cartons pertaining to your orator's Spearmint and Peppermint products, as to show by a comparison the spurious and fraudulent imitation of your orator's products and all things pertaining thereto, even as to detail in the subject matter, or context, of the advertisements of your orator's products.

XIII.

That the acts of the said defendant, as above set forth are contrary to equity and good conscience and constitute a fraudulent invasion and infringement of your orator's rights in the premises and an unlawful invasion and infrigemet of your orator's trade rights ad trade-dress thereunder, as above set forth, and also your orator's equitable rights in any use of such packages, cartons, wrappers, marks or working accompanying your orator's product as herein set forth existing in equity and good law, which in this Honorable
7871 Court will be protected and preserved; your orator averring that the acts of this defendant herein complained of have the effect and result of enabling and permitting false and fraudulent competition in business and fraudulent and unlawful sale and substitution by unscrupulous persons of the defendant's goods in lieu of your orator's goods with the accompanying trade-dress as herein set forth. And your orator prays that it may have the relief in the premises to which, in equity and good conscience, it is entitled, as the same shall appear upon the facts to be just and equitable, and that it may have such relief the same as if it were here and now made the subject of a specific prayer.

To the end, therefore, that your orator may obtain relief in the premises in this Honorable Court, where along it can obtain relief, it humbly prays:

1. That the said defendant, A. Colker, be made the defendant to this Bill and compelled to answer the same, and each and every allegation herein contained, but not under oath (answer under oath being hereby expressly waived,) as fully as if directly interrogated as to each;

2. That the said defendant may be compelled to render before one of the masters in chancery of this Court, full, true, perfect and complete account of all profits of every description diverted from your orator, or received by said defendant, arising out of the defendant's committment of the infringing acts above complained of and to account for and pay over all damages to your orator suffered by your orator by reason of such infringing and unlawful acts:

3. That the defendant, A. Colker, and his representatives, servants, agents, attorneys and employees, and each of them, be restrained and in due order of time perpetually en-
7872 joined from further imitation or simulation of the said cartons, packages or wrappers for chewing gum of the

complainant, as to size, form and color in collocation with symbols and arrangement of printed matter employed by the complainant upon its said cartons, packages and wrappers, and from imitating or simulating the said cartons, packages or wrappers of the complainant in any manner calculated to induce the public to believe that the Michigan Spearmint and Peppermint products, or other chewing gum or product of the defendant, is the complainant's product.

To the end that equity may be done and the relief herein prayed for, and all other that it may be righteous and in the premises to administer, may be afforded your orator, may it please your Honors such relief fully to grant, and to award against the defendant, A. Colker, a writ of subpoena of the U. S. District Court for the Eastern Division of Kentucky, commanding him on a certain day hereinafter to be named and under a certain penalty, to be and appear in this Honorable Court then and there to answer all and singular the premises and to stand by and perform and abide by such above or other order, direction and decrees as may be made against him.

Your orator ever prays, etc.,

WM. WRIGLEY JR. COMPANY
By A. G. COX,
Vice-President.

JAMES R. OFFIELD,
Soliciter and of Counsel for Complainant.

7873 State of Illinois }
County of Cook } ss.

A. G. COX, being first duly sworn, says that he is Vice-President of the above named corporation, complainant, and is familiar with its business affairs; that he has read the said Bill and knows the contents thereof, and is familiar with the exhibits therein referred to, and with the facts recited in said Bill; that as to matters and things stated to be true the same are true in all respects and particulars, and as to the matters and things therein stated to be true upon information and belief, that he verily believes the same to be true in all respects and particulars.

A. G. Cox.

Subscribed and sworn to before me this 30th day of June 1915.

EDWARD A. WOOD,
Notary Public

(Seal)

Commission expires January 6, 1918.

Certificate.

The United States of America } ss.
Eastern District of Kentucky }

I, J. W. MENZIES, Clerk of the United States District Court, for the Eastern District of Kentucky, at Covington, do hereby certify that the foregoing is a true and correct copy of Bill of Complaint herein in the matter set out in the caption hereto, as the same appears from the records and files of this office.

Witness my hand as clerk and the seal of said Court, at Covington, Ky., this 20th day of August, A. D. 1918, and of the Independence of the United States of America the 143 year.

J. W. MENZIES,
Clerk.
By O. M. MITCHEL,
D. C.

(Seal)

(Endorsed) United States District Court Eastern District of Kentucky. No. 2991 Wm. Wrigley, Jr., a Corporation etc. Complainant vs. A. Colker, etc., Defendant Bill of Complaint Orig. filed July 9, 1915.

7874 FINAL DECREE

Filed Nov. 8, 1916.

UNITED STATES DISTRICT COURT

Eastern District of Kentucky,

Sixth Circuit.

Wm. Wrigley, Jr. Company, a corporation under the laws of West Virginia,
Complainant
vs.
A. Colker, A citizen of the State of Kentucky, trading under the firm name and style of U. S. Chicle Company,
Defendant.
2991

This cause coming on to be heard before his Honor Judge A. M. J. Cochran, at Covington, Kentucky, on October 16, 1916, on the pleadings, exhibits and testimony taken in open court, and having been submitted by Counsel for the respective parties, to-wit, Albert H. Morrill of Gordon, Morrill & Ginter, Cincinnati, Ohio, on behalf of the complainant, and no one appearing on behalf of the defendant,

It is hereby ordered, adjudged and decreed as follows:

1st. That the complainant is the rightful and exclusive owner of the particular color schemes and markings and arrangement of printed matter as shown upon the labels and wrappers of complainant's exhibits "1" and "2".

2nd. That the defendant has infringed and violated the exclusive right, trade-dress and wrapper embellishments by the use upon the package of the defendant of certain wrapper embellishments, trade-names and trade-dress, as appears by Complainant's Exhibits "4" and "5".

7875 3rd. That a perpetual injunction issue as prayed for in the Bill of Complaint, enjoining said defendant from the selling or marketing of chewing gum in cartons, packages or wrappers in size, form, color or in arrangement

of printing or device, in color language or symbols, simulating the product of complainant identified in the Bill of Complaint as Exhibits "1" and "2", and particularly is said defendant, his agents, officers, employees or representatives, enjoined and restrained from selling or offering for sale, or causing to be sold, chewing gum prepared and put up for sale in wrappers or packages containing or employing printed matter or devices in color, language and form similar to complainant's exhibit, designated as "Complainant's Exhibits, Defendant's Products 4 and 5"; that the defendant pay the taxable court costs in this action, and that in default thereof, execution issue therefor.

Dated at Covington, Ky., November 8, 1916.

A. M. J. COCHRAN,
Judge.

CERTIFICATE.

The United States of America }
Eastern District of Kentucky } ss.

I, J. W. Menzies, Clerk of the United States District Court. for the Eastern District of Kentucky, at Covington, do hereby certify that the foregoing is a true and correct copy of Final Decree herein in the matter set out in the caption hereto, as the same appears from the records and files of this office.

Witness my hand as clerk and the seal of said Court, at Covington, Ky., this 20th day of August, A. D. 1918, and of the Independence of the United States of America the 143 year.

J. W. MENZIES,
(Seal) *Clerk.*
By O. M. MITCHEL.
D. C.

(Endorsed) United States District Court Eastern District of Kentucky No. 2291 Wm. Wrigley Jr., etc. Complainants vs. A. Colker, etc., Defendants. Final Decree Orig. filed Nov. 8, 1916.

7876 BILL OF COMPLAINT.

Filed October 20, 1913.

IN THE UNITED STATES DISTRICT COURT

For the Eastern District of Kentucky.

Wm. Wrigley, Jr., Company, a corporation, organized under the laws of West Virginia,
Complainant,
vs.
A. Colker, a citizen of the State of Kentucky, residing in the City of Newport,
Defendant.
} 2892

To the Honorable Judges of the District Court of the United States in and for the Eastern District of Kentucky, Sixth Circuit, In Chancery sitting:

Wm. Wrigley, Jr., Company, a corporation duly organized and existing under and by virtue of the laws of the State of West Virginia, and a citizen of the State of West Virginia, complainant, brings this its bill of complaint against A. Colker, a citizen of the United States residing in the City of Newport, County of Campbell, State of Kentucky, and a citizen of said State, and doing business in the City of Newport;

Whereupon your orator complains and says:

I.

That prior to the year 1894 Wm. Wrigley, Jr., and William Scatchard were co-partners in business and engaged in the manufacture, production, marketing and sale of a wide variety of chewing gum products of every kind, nature and description known to that business industry, and in vending the same
7877 in large quantities throughout all the United States and territories thereof, and in adjacent foreign countries, and had a business of great extent; said copartnership and business of the said Wm. Wrigley, Jr., and William Scatchard was conducted under the name of Wm. Wrigley, Jr. & Company and continued, from the inception of said business

in the year 1892, until the year 1903, as a copartnership. That during the year 1903 the said copartnership was dissolved, whereupon your orators' predecessor was duly incorporated and became a body corporate by virtue of the laws of the State of Illinois, under the name of Wm. Wrigley, Jr. & Company and succeeded to the business, good-will, trademarks, trade-names and other assets of said copartnership, the same, all and singular, having been fully conveyed, transferred and assigned by the said copartners to the said corporation Wm. Wrigley, Jr., & Company.

II.

That on or about the 1st day of January 1911, your orator, Wm. Wrigley, Jr. Company, purchased the entire property and assets of Wm. Wrigley, Jr. & Company, an Illinois corporation, together with the trade-marks, tradesnames, trade dress, good-will and trade rights in and relating to the business of your orator's predecessor, and that the business of your orator's predecessor acquired as aforesaid, and by it now carried on, consists of the manufacture, production and sale of chewing gum products, including a product known as "Spearmint Gum" and all the trade marks, tradesnames and trade-dress and good-will relating thereto.

III.

That about the year 1894 your orator's predecessor in
7878 business adopted and used as a distinguishing name and to denote and identify one of its said products, the name "Spearmint" which name was not at that time in use in connection with chewing gum products and which never had been used, as your orator is informed and believes, in connection with said products.

And your orator further says that a radically new form of trade-dress was adopted for its Spearmint product, both as to markings and color, the predominating colors being red, white and green for the outside wrapper, while five individual sticks of gum were separately wrapped in pink wrappers; the outside wrapper being shorter than the individual sticks of gum, so as to leave the pink ends of the individual sticks projecting beyond the ends of the outside wrapper, and that a carton for containing the individual packages as ordinarily adopted and used continuously since the year 1894 had had

particular and peculiar markings thereon, the predominating colors being red, green, white and yellow.

IV.

That the defendant, A. Colker, is an individual trading under his own name and under the assumed business names of Spear Gum Company, Newport Gum Company, U. S. Chicle Company, A. Colker Manufacturing Company and possibly others, and has his principal office and is conducting his business in the City of Newport, County of Campbell, State of Kentucky, and in the Eastern District of said State; that said defendant is engaged in the manufacture and sale of a chewing-gum product which is enclosed in a trade-dress in
7879 fraudulent imitation of your orator's trade-dress as to wrapper appellations, for the express purpose of injuring your orator's business, to the defendant's own advantage and profit and to the great damage and detriment of your orator; and your orator avers that the damage which it has sustained by reason of the unlawful acts of this defendant are in excess of Three Thousand Dollars ($3000.00).

V.

That the manufacture and sale of different kinds and styles of chewing gum products is the only item and branch of industry of your orator and that such chewing-gum products are presented and sole largely by your orator to the purchasing retail stores handling such products, in cartons, boxes and packages of different sizes and shapes, varying according to the different styles of chewing-gum to be enclosed therein, and that all of said packages of your orator containing chewing-gum products are encased or enclosed by a wrapper formation, having upon the separate wrappers your orator's spear trade-mark, as well as particular and peculiar markings as to color, design and wording, giving a distinctive and attractive appearance to your orator's products as to such wrapper appelations thereon.

VI.

That your orator's predecessor, in the year 1894, having adopted this peculiar and distinctive color scheme and design for the wrappers and cartons to contain its Spearmint product, has continuously used the same color scheme, design or

trade-dress for distinguishing its product from the goods
7880 of other manufacturers and such color scheme, design and trade dress has not alone been contained upon the wrappers and cartons for containing your orator's product, but has been used in all manner and forms of advertising, such as display cars in street cars, billboards, electric signs, magazines, trade journals and newspapers throughout the United States, in Canada and in other foreign countries; and your orator has expended vast sums of money in advertising its Spearmint product and making the same known to the trade and to the purchasing public, and particular emphasis in all of the various forms of your orator's advertising has been laid upon the peculiar and particular markings, color scheme and wrapper formation of your orator's said Spearmint product and in doing so, your orator has spent upwards of three millions of dollars, until the purchasing public throughout the United States has become so familiar with your orator's color scheme, wrapper formation, particular and peculiar markings and the trade-dress as a whole, for its Spearmint product that they look solely to the trade-dress as the sign and symbol of your orator's chewing-gum product, and the presence of such trade-dress as the predominating feature upon the wrapper or carton containing a chewing gum product, is taken by the purchasing public to mean and mean only that such wrapper or carton containing chewing-gum products, is the wrapper, carton and contents and is the product of your orator.

Your orator hereby makes an Exhibit in this case of its carton for containing its Spearmint product, together with twenty packages containing five sticks each of said product with wrapper appellations thereon, illustrating and
7881 identifying the carton and wrapper, trade-dress and manner of packing of your orator's product, continuously followed since its original adoption in 1894, identifying said Exhibit with this your orator's Bill of Complaint as a part thereof and marked "Complainant's Exhibit complainant's Package."

VII.

That the defendant, A. Colker, has been manufacturing and selling, or having manufactured for him, various brands of chewing gum and for the purpose of concealing his own identity not only from the purchasing public, but from manu-

facturers as well whose rights the defendant may infringe upon, said defendant is now endeavoring to market and sell a Spearmint Gum purporting to be of the manufacture of Newport Gum Company, but your orator believes and so alleges that the said Newport Gum Company is merely a name adopted by this defendant to conceal his identity and that said company has no legal existence, is not known to the business world and is used only as a cloak to cover up the illegal acts of the defendant.

VIII.

That the said defendant has simulated the style, lettering, shape of package, peculiar markings, form of wrapping and general color scheme, thereby producing and giving to his style of package, cartons and wrappers the peculiar visual appearance that was adopted by your orator and your orator's predecessor in the year 1894, and through long years of usage has become the predominating means for designating your orator's well known Spearmint Gum product; your
7882 orator further averring upon information and belief that a certain number of dealers in chewing-gum, both the wholesale jobber and the retail dealer, can be found who have purchased the said packages of chewing gum known as "Delicious Spearmint" from the defendant, for the purpose of palming off the defendant's goods upon the public as the goods of your orator and that this defendant has found, as a matter of fact, that the purchasing public makes no distinguishment between the two packages and that the "Delicious" Spearmint Gum Product of this defendant can be palmed off on the public and trade generally as the goods and packages of your orator.

Your orator hereby makes an Exhibit in this case of defendant's product, identifying said Exhibit with this your orator's Bill of Complaint as a part thereof, and marked "Complainant's Exhibit Defendant's Product."

IX.

That your orator avers, upon information and belief, that the said defendant is preparing to rush and flood the trade with vast quantities of chewing gum having the exact trade dress of your orator, and that unless this Honorable Court shall grant an immediate injunction or restraining order preventing the sale or delivery of said packages, that said de-

fendant will at once utilize such delay and put upon the market his fraudulent imitation of your orator's trade-dress, as above set forth, to the great and irreparable damage of your orator, your orator averring that said chewing gum product known as "Delicious Spearmint" and as made by the defendant, is
of an inferior grade or quality to the product of your
7883 orator, is not of the same flavor as your orator's prod-
uct, and is calculated and intended to and does, as a matter of fact, greatly injure the high reputation, character and quality of your orator's goods.

X.

Your orator further avers that one Edward Myers, of Toledo, Ohio, infringed upon your orator's rights by marketing and selling Spearmint Gum with each stick of gum enclosed by a pink wrapper and fie sticks enclosed by an outside label or wrapper having substantially the same markings and color scheme as the outside label employed by this defendant, and that substantially the only difference between defendant's label and the label of Myers was that in the Myer's label the word "Myers" was printed in red at substantially the same point where the word "Delicious" appears in defendant's label herein; and your orator further avers that his Honor Judge Day issued a preliminary injunction against said Edward Myers restraining the use of the said label, said injunctional order being entered on the 27th day of May 1912, and a Final Decree in said Cause was entered on April 7, 1913, a certified copy of said Decree being hereto attached and marked as "Complainant's Exhibit Myers Decree."

Your orator further states that your orator's rights to its particular trade-dress and trade-mark have been judicially recognized as is evidenced by a decision of the Circuit Court of Appeals in and for the Second Circuit in the case of *Wm. Wrigley Jr. & Company* v. *The Grove Company et al.* 183 Federal Reporter, page 99.

7884 Your orator further states that in a suit by this complainant against L. P. Larson Jr., Company in the United States District Court for the Northern District of Illinois, his Honor Judge Carpenter further sustained the rights of this complainant and enjoined the use of a label not as close a resemblance to complainant's label as the defendant's label herein; a copy of the opinion of his Honor Judge Carpenter being attached to the Bill of Complaint and forming a part

thereof and marked "Complainant's Exhibit Larson Opinion.". Your orator further avers that the labels attached to the front page of the printed copy of said opinion represent the pink label for the individual sticks of gum and the outside label or wrapper for the five sticks of gum used by the defendant Larson and were before his Honor Judge Carpenter in the above entitled cause.

XI.

That your orator, upon information and belief, avers that the said defendant has heretofore in many ways, directly and indirectly, offered and sold said product, "Delicious" as and for your orator's product, whereby the public has been misled and injured, and profits which have rightfully belonged to your orator diverted to the defendant, your orator further averring that the value of your orator's said trade-dress exceeds in amount more than four million of dollars, and your orator avers that the amount in dispute as to this defendant as herein set forth, exceeds exclusive of interest and costs,

the sum of to wit, Three Thousand Dollars ($3000.00).

7885 That this defendant has in many ways, as your orator is informed and believes and charges the fact to be, offered and sold his said "Delicious" product without explanation, said defendant knowing and believing that the same would be accepted by the public as being your orator's product favorably known as "Spearmint Gum", to the great loss and injury of your orator actually sustained.

That the said defendant by fraudulent and misleading representations and by many dealers handling the product of the said defendant, and by circulars, letterheads, advertisements and otherwise, has endeavored to induce the belief that the "Delicious" Spearmint Gum as manufactured by the defendant is the well-known article or product in demand in the market and manufactured and sold for many years by your orator and its predecessors as aforesaid.

XII.

That the acts of this defendant as above set forth are wholly without your orator's consent and in wrongul violation of your orator's rights as aforesaid, and your orator avers and charges the fact to be that the said acts have been committed by the said defendant fraudulently, wilfully and

unlawfully and that said defendant exercises great skill in closely copying the wrapper appellations, advertisements, letterheads and cartons pertaining to your orator's Spearmint product, as to show by a comparison the spurious and fraudulent imitation of your orator's Spearmint product and all things pertaining thereto, even as to detail in the subject-matter, or context, of the advertisements of your orator's product.

7886 XIII.

That the acts of the said defendant, as above set forth are contrary to equity and good conscience and constitute a fraudulent invasion and infringement of your orator's rights in the premises and an unlawful invasion and infringement of your orator's trade rights and trade-dress thereunder, as above set forth, and also your orator's equitable rights in any use of such packages, cartons, wrappers, marks or wording accompanying your orator's product as herein set forth existing in equity and good law, which in this Honorable Court will be protected and preserved; your orator averring that the acts of this defendant herein complained of have the effect and result of enabling and permitting false and fraudulent competition in business and fraudulent and unlawful sale and substitution by unscrupulous persons of the defendant's goods in lieu of your orator's goods with the accompanying trade-dress as herein set forth. And your orator prays that it may have the relief in the premises to which, in equity and good conscience, it is entitled, as the same shall appear upon the facts to be just and equitable, and that it may have such relief the same as if it were here and now made the subject of a specific prayer.

To the end, therefore, that your orator may obtain relief in the premises in this Honorable Court, where alone it can obtain relief, it humbly prays:

1. That the said defendant, A. Colker, be made defendant to this Bill and compelled to answer the same, and each and every allegation herein contained, but not under oath (answer under oath being hereby expressly waived,) as
7887 fully as if directly interrogated as to each;

2. That the said defendant may be compelled to render before one of the masters in chancery of this Court full, true, perfect and complete account of all profits of every description diverted from your orator, or received by said

defendant, arising out of the defendant's commitment of the infringing acts above complained of and to account for and pay over all damages to your orator suffered by your orator by reason of such infringing and unlawful acts;

3. That the defendant, A. Colker, and his representatives, servants, agents, attorneys and employees, and each of them, be restrained and in due order of time perpetually enjoined from further imitation or simulation of the said cartons, packages or wrappers for chewing-gum of the complainant, as to size, form and color in collocation with symbols and arrangement of printed matter employed by the complainant upon its said cartons, packages or wrappers, and from imitating or simulating the said cartons, packages and wrappers of the complainant in any manner calculated to induce the public to believe that the Delicious Spearmint Gum, or other chewing gum or product of the defendant, is the complainant's product.

To the end that equity may be done and the relief herein prayed for, and all others that it may be righteous in the premises to administer, may be afforded your orator, may it please your Honors such relief fully to grant, and to award against the defendant, A. Colker, a writ of subpoena of the United States District Court, for the Eastern District of Kentucky, Sixth Circuit, commanding him on a certain day, hereinafter to be named, and under a certain penalty, to 7888 be and appear in this Honorable Court then and there to answer all and singular the premises and to stand by and perform and abide by such above or other order, direction and decree as may be made against him.

And your orator ever prays etc.,

WM. WRIGLEY, JR., COMPANY,
By A. G. COX,
Vice President.

GORDON, MORRILL & GINTER,
OFFIELD, TOWLE, GRAVES & OFFIELD,
Solicitors for Complainant.
JAMES R. OFFIELD,
Of Counsel.

State of Illinois, }
County of Cook. }

A. G. COX, being first duly sworn, says that he is Vice President of the above named corporation, complainant, and is familiar with its business affairs; that he has read the said bill and knows the contents thereof, and is familiar with the exhibits therein referred to, and with the facts recited in said bill; that as to matters and things stated to be true the same are true in all respects and particulars, and as to the matters and things therein stated to be true upon information and belief, that he verily believes the same to be true in all respects and particulars.

A. G. Cox.

Subscribed and sworn to before me this 18th day of October, 1913.

SADIE M. RYAN,
Notary Public.

The United States of America, }
Eastern District of Kentucky. } ss.

I, J. W. Menzies, Clerk of the United States District Court, for the Eastern District of Kentucky, at Covington, do hereby certify that the foregoing is a true and correct copy of Bill of Complaint herein in the matter set out in the caption hereto, as the same appears from the records and files of this office.

Witness my hand as clerk and the seal of said Court, at Covington, Ky., this 20th day of August, A. D. 1918, and of the Independence of the United States of America the 143 year.

J. W. MENZIES,
Clerk.

(Seal)

By A. M. MITCHEL,
D. C.

(Endorsed) United States Dist. Court, Eastern District of Kentucky. No. 2892. Wm. Wrigley, Jr. Co. etc., Complainants vs. A. Colker, etc., Defendants. Bill of Complaint. Original filed Oct. 20, 1913.

7889 FINAL DECREE

Filed May 22nd 1914.

IN THE UNITED STATES DISTRICT COURT

Eastern District of Kentucky.

Sixth Circuit.

Wm. Wrigley, Jr. Company, etc., *Complainant*
vs.
A Colker etc., *Defendant* } 2892

This day comes the complainant by James R. Offield, of the firm of Offield, Towle, Graves & Offield, and Albert H. Morrill, of the firm of Gordon, Morrill & Ginter, its solicitors, and of counsel, and the defendant by Howard M. Benton, his solicitor and of counsel, and thereupon the following proceedings were had:

This cause coming on to be heard upon final hearing, upon the pleadings, affidavits filed herein, and the testimony of A. G. Cox and C. D. Brenton, produced as witnesses on behalf of the complainant, and A. Colker and A. G. Cox, produced as witnesses on behalf of the defendant, and the respective counsel being heard for the respective parties thereof; and the court being fully advised and having considered the same and rendered an opinion on the 13th day of April 1914, it is hereby ordered, adjudged and decreed:

1st. That the package consisting of five (5) sticks of gum, individually wrapped, with an enclosing wrapper and the printed matter thereon and the component parts thereof,

7890 as shown by complainant's exhibit, complainant's package, are the equitable property, wrapper, color scheme and label arrangement of the complainant herein, in connection with the manufacture and sale of chewing gum.

2nd. That the defendant has infringed upon and violated the rights of the complainant by imitating and simulating the package of the complainant, comprising wrappers for the individual sticks of gum and the counterband or label

holding five individual sticks together, as to size, form, printed matter thereon, color scheme, and the component parts thereof, in the sale of chewing gum of the defendant.

3rd. That the defendant A. Colker, doing business under the name or style of Newport Gum Company, his agents, servants and employees, and each of them, be, and are hereby perpetually enjoined from manufacturing, selling, advertising, offering or announcing for sale, or supplying chewing gum in packages under labels substantially identical with or like the packages and labels of the complainant employed for that purpose; or in packages under labels which are calculated to deceive purchasers or consumers into the belief that the chewing gum manufactured, sold, advertised, offered for sale or supplied by the defendant, is the product of the complainant, or which will enable others to substitute or sell the product of the defendant as and for the product of the complainant.

4th. And it further appearing that the defendant has adopted for his Spearmint Chewing Gum product, individual green labels for the separate sticks of gum with the word "Spearmint" thereon, and an outside counterband of label, the color of which is red with the word "Spearmint" thereon in white and having a long, narrow leaf in green ex-
7891 tending diagonally across the package with the words "Natural Leaf" thereon, and with the name "Newport Gum Company" prominently displayed upon both the individual labels and the outside counterband label.

5th. And it further appearing that complainant has waived a reference to a master, and that the defendant has waived his right of appeal, this decree is hereby made final upon the payment of the costs by the defendant.

A. M. J. COCHRAN,
Judge.

May 22, 1914.

Approved as to form:

HOWARD M. BENTON,
Solicitor for Defendant.

CERTIFICATE.

The United States of America }
Eastern District of Kentucky } ss.

I, J. W. Menzies, Clerk of the United States District Court, for the Eastern District of Kentucky, at Covington, do hereby certify that the foregoing is a true and correct copy of Final decree herein in the matter set out in the caption hereto, as the same appears from the records and files of this office.

Witness my hand as clerk and the seal of said Court, at Covington, Ky., this 20 day of August A. D. 1918, and of the Independence of the United States of America the 143 year.

J. W. MENZIES,
Clerk.

(Seal)

By O. M. MITCHEL,
D. C.

(Endorsed) United States District Court Eastern District of Kentucky No. 2892 Wm. Wrigley, Jr., Company, etc., Complainants vs. A. Colker etc., Defendants Final Decree Orig. filed May 22nd 1914.

3493

LARSON EXHIBIT No. 138

SALES & ADVERTISING PER TESTIMONY OF W. H. STANLEY

		Sales	Advertising	% of Adv. to Sales
Years	1910	4,445,029.57	709,708.26	15.97
	1911	5,860,464.58	1,177,939.80	20.10
	1912	7,283,151.82	1,061,987.24	14.58
	1913	8,973,137.89	1,871,661.80	20.86
		26,561,783.86	4,821,297.10	18.1
Years	1915	9,717,145.33	2,112,895.66	21.74
	1916	12,482,342.87	2,496,601.01	20.–
	1917	15,713,657.84	2,440,739.75	15.53
	1918	17,161,934.86	2,430,315.98	14.16
		55,075,080.90	9,480,552.40	17.2
Note				
Year	1914	8,008,536.07	2,252,458.23	28.12

(Omitted because of broken periods)

LARSON EXHIBIT No. 139

1	2		3	4		5	6	7		8	9
Period	Sales of all Brands	A. B.	Advertising Per Wrigley Account As corrected by T. N. & Co.		A. B.	U. P. S. Coupons including amount paid Contingent Liability & Printing Per Wrigley Account As corrected by T. N. & Co.		T. N. & Co's Adjustment of Contingent Liability U. P. S. Coupons	A) B)	U. P. S. Coupons as adjusted by T. N. & Co. As before less adjustment	
			Amount	% to Sales		Amount	% to Sales			Amount	% to Sales
7/28–12/31/14	$ 3,522,732.30	A	$ 850,091.75	24.13	A	$ 230,733.33	6.55	($ 63,439.09	A	$ 167,294.24	4.74
		B	849,311.75	24.11	B	230,733.33	6.55	(	B	167,294.24	4.74
Year 1915	9,717,145.33	A	1,564,150.43	16.10	A	756,381.24	7.78	(208,468.01	A	547,913.23	5.64
		B	1,555,802.43	16.01	B	756,754.82	7.79	(	B	548,286.81	5.64
Year 1916	12,482,342.87	A	1,452,828.77	11.64	A	1,000,192.01	8.01	(275,391.32	A	724,800.69	5.81
		B	1,423,697.42	11.40	B	1,002,804.45	8.03	(	B	727,413.13	5.83
Year 1917	15,713,657.84	A	1,439,736.90	9.16	A	1,236,117.82	7.87	(340,067.48	A	896,050.34	5.70
		B	1,359,651.88	8.65	B	1,236,117.82	7.87	(	B	896,050.34	5.70
1/1– 8/31/18	12,156,747.27	Ax	991,747.98	8.16	A	849,317.52	6.99	(233,745.93	A	615,571.59	5.06
		Bx	872,261.91	7.18	B	864,246.47	7.11	(	B	630,500.54	5.18
9/1–10/ 4/18	1,332,290.23	Ax	90,703.97	6.81	A	114,016.01	8.56	(31,547.56	A	82,468.45	6.19
		Bx	82,104.78	6.16	B	114,087.07	8.56	(	B	82,539.51	6.19
			345.75								
10/ 5–11/12/18	1,827,036.73	Ax	227,636.73	12.44	A	129,716.15	7.10	(—	A	129,716.15	7.10
		Bx	220,251.94	12.06	B	129,716.15	7.10	(	B	129,716.15	7.10
Total	$ 56,751,952.57	A	$ 6,616,605.55	11.66	A	$ 4,316.474.08	7.61	($1,152,659.39	A	$ 3,163,814.69	5.58
		B	6,363,082.11	11.21	B	4,334,460.11	7.64	(	B	3,181,800.72	5.61

x Average for 1918
A 8.55
B 7.67

Larson Exhibit No. 139.

3523

LARSON EXHIBIT No. 140

WRIGLEY VS LARSON

TENTATIVE CALCULATION OF VALUE OF GOODWILL CREATED DURING THE PERIOD OF INFRINGEMENT

A		B	C	D	E	F	G
		5 Months ended December 31, 1914	Year Ended December 31, 1915	Year Ended December 31, 1916	Year Ended December 31, 1917	January 1 to November 12, 1918	Total
Average invested capital during the period	1	$7,030,590.14	6,948,697.60	7,563,419.20	8,229,250.24	8,726,011.20	
Net profits for the period	2	183,027.47	1,408,187.46	2,326,255.75	2,522,906.32	2,298,115.60	8,738,492.60
Interest on average invested capital @ 7%	3	205,058.88	486,408.83	529,439.34	576,047.52	529,378.01	2,326,332.58
Interest on average invested capital @ 8%	4	234,353.00	555,895.81	605,073.54	658,340 02	605,003.44	2,658,665.81
Interest on average invested capital @ 9%	5	263,647.13	625,382.79	680,707.73	740,632.52	680,628.87	2,990,999.04
Interest on average invested capital @ 10%	6	292,941.25	694,869.76	756,341.92	822,925.02	756,254.30	3,323,332.25
Profits in excess of interest on capital at 7%	7	*22,031.41*	921,778.63	1,796,816.41	1,946,858.80	1,768,737.59	6,412,160.02
Profits in excess of interest on capital at 8%	8	*51,325.53*	852,291.65	1,721,182.21	1,864,566.30	1,693,112.16	6,079,826.79
Profits in excess of interest on capital at 9%	9	*80,619.66*	782,804.67	1,645,548 02	1,782,273.80	1,617,486.73	5,747,493.56
Profits in excess of interest on capital at 10%	10	*109,913.78*	713,317.70	1,569,913.83	1,699,981.30	1,541,861.30	5,415,160.35
	11		Excess Profits Capitalized For				Average Excess Profits per Annum
	12		3 Years	5 Years	10 Years	14 Years	
Based on 7% on invested capital	13		$4,491,006.90	7,485,011.50	14,970,023.00	20,958,032.20	1,497,002.30
Deduct Goodwill per books, July 28, 1914	14		6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	
Balance being value of Goodwill on above basis at November 12, 1918, in excess of Goodwill at July 28, 1914	15		*$1,508,993.10*	1,485,011.50	8,970,023.00	14,958,032.20	
Doublemint's contribution to Goodwill created during the infringing period based on Doublemint's proportion of sales viz. 15.71%	16		– –	233,295.31	1,409,190.61	2,349,906.83	
Based on 8% on invested capital	17		$4,258,244.40	7,097,074.00	14,194,148.00	19,871,807.20	1,419,414.80
Deduct Goodwill per books, July 28, 1914	18		6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	
Balance being value of Goodwill on above basis at November 12, 1918, in excess of Goodwill at July 28, 1914	19		*$1,741,755.60*	1,097,074.00	8,194,148.00	13,871,807.20	
Doublemint's contribution to Goodwill created during the infringing period based on Doublemint's proportion of sales, viz. 15 71%	20		– –	172,350.33	1,287,300.65	2,179,260.87	
Based on 9% on invested capital	21		$4,025,481.60	6,709,136.00	13,418,272.00	18,785,580.80	1,341,827.20
Deduct Goodwill per books, July 28, 1914	22		6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	
Balance being value of Goodwill on above basis at November 12, 1918, in excess of Goodwill at July 28, 1914	23		*$1,974,518.40*	709,136.00	7,418,272.00	12,785,580.80	
Doublemint's contribution to Goodwill created during the infringing period based on Doublemint's proportion of sales, viz. 15.71%	24		– –	111,405.27	1,165,410.53	2,008,614.62	
Based on 10% on invested capital	25		$3,792,719.10	6,321,198.50	12,642,397.00	17,699,355.80	1,264,239.70
Deduct Goodwill per books, July 28, 1914	26		6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	
Balance being value of Goodwill on above basis at November 12, 1918, in excess of Goodwill at July 28, 1914	27		*$2,207,280.90*	321,198.50	6,642,397.00	11,699,355.80	
Doublemint's contribution to Goodwill created during the infringing period based on Doublemint's proportion of sales, viz. 15.71%	28		– –	50,460.28	1,043,520.57	1,837,968.67	

3537 LARSON EXHIBIT No. 141

January 1, 1911.

Assets:

Cash in Bank	210,188.55	
Cash Advanced	275,376.19	485,564.74
Merchandise		1,116,409.46
Machinery & Fixtures Account		184,428.82
Accounts Receivable		339,245.56
Real Estate		127,102.20
Trade Marks, Concessions & Patents		7,500,000.00
		9,752,750.78

Liabilities

Accounts Payable	752,750.78
Capital Stock	9,000,000.00
	9,752,750.78

3538 LARSON EXHIBIT No. 142

December 31, 1911.

Assets:

Cash in Bank	$ 134,363.35	
Cash Advanced	252,992.02	$ 387,357.37
Bills and Accounts Receivable		304,260.34
Inventory		1,618,134.95
Real Estate		153,642.68
Machinery & Fixtures Account		283,481.02
Concessions, Trade-Marks, Pts., Etc.		7,500,000.00
		$ 10,246,876.36

Liabilities:

Bills and Accounts Payable		$ 49,301.89
Preferred Stock,		1,500,000.00
Common Stock		7,500,000.00
Surplus	$ 1,490,074.47	
Less Dividends 1911	292,500.00	1,197,574.47
		$ 10,246,876.36

3539 LARSON EXHIBIT No. 143

December 31, 1912.

Assets:		
Merchandise	$ 2,085,638.41	
Cash	401,389.64	
Machinery & Fixtures	328,244.22	
Real Estate	698,049.64	
Accounts Receivable	508,425.95	
Advances	219,981.10	
Trade-Marks, Good Will, Etc.	7,500,000.00	
Total		$ 11,741,728.96
Liabilities:		
Preferred Stock	$ 1,500,000.00	
Common Stock	7,500,000.00	
Surplus	2,741,728.96	
Total		$ 11,741,728.96
Profits	$ 2,084,154.49	

3540 LARSON EXHIBIT No. 144

December 31, 1913

Assets:		
Cash in Bank	$ 504,748.87	
Cash Petty	1,500.00	
Accounts Receivable	732,572.84	
Claims	2,224.92	
Notes Receivable	500.00	
Accts. Receivable Misc'l	164,098.10	
Office Fixtures	32,452.97	
Inventory	2,620,729.91	
Power Plant	79,032.48	
Machinery New York	83,620.60	
" Toronto	20,293.79	
" Chicago	247,238.19	
Motor Trucks	14,071.36	
Real Estate	201,815.28	
" " Buildings	176,405.59	
Building Bonds	196,000.00	
Goodwill & Trade Marks	7,500,000.00	
Construction	361,281.68	
		$ 12,938,586.58
Liabilities:		
Capital Stock	$ 9,000,000.00	
Surplus	3,869,942.73	
Accounts Payable	68,643.85	
		$ 12,938,586.58
Profits	2,343,213.77	

LARSON EXHIBIT No. 145.

WRIGLEY VS LARSON

MEMORANDUM ON VALUATION OF GOODWILL

		A	B	C	D	E	F	G	H	J	K	L	M
		1911	1912	1913	1/1-7/31/14	Total	Average per annum	1915	1916	1917	1/1-11/12/18	Total	Average per annum
Sales for period	1	$ 5,860,464	7,283,151	8,973,137	4,485,803	26,602,558	7,423,969	9,717,145	12,482,342	15,713,657	15,316,074	53,229,220	13,766,177
Net profits as reported	2	$ 1,490,074	2,084,154	2,343,213	961,044	6,878,486	1,919,577	1,408,187	2,326,255	2,522,906	2,298,115	8,555,465	2,212,620
Deduct: Amortization of patents not charged on books until 1918	3	88,235	88,235	88,235	51,471	316,176	88,235	–	–	–	–	–	–
	4	$ 1,401,839	1,995,919	2,254,978	909,573	6,562,310	1,831,342	1,408,187	2,326,255	2,522,906	2,298,115	8,555,465	2,212,620
Add: Excess amount of reserve provided for Contingent Liability *on U. P. S. Coupons*	5	–	–	–	–	–		333,549	440,626	544,108	487,155	1,805,437	466,923
Adjusted Profits	6	$ 1,401,839	1,995,919	2,254,978	909,573	6,562,310	1,831,342	1,741,736	2,766,881	3,067,014	2,785,270	10,360,902	2,679,543
Net tangible capital at beginning of period	7	$ 1,500,000	2,697,574	4,241,729	5,369,942	13,809,246							
Net tangible capital at end of period	8	2,697,574	4,241,729	5,369,942	5,687,016	17,996,262							
Total	9	$ 4,197,574	6,939,303	9,611,671	11,056,958	31,805,508							
Average	10	$ 2,098,787	3,469,651	4,805,835	3,224,946	13,599,221	3,795,131	6,948,697	7,563,419	8,229,250	8,726,011	31,467,378	8,138,115
Interest on average net tangible capital at 6% per annum	11	125,927	208,179	288,350	112,873	735,329	205,208	416,922	453,805	493,755	453,752	1,818,234	470,233
7% per annum	12	146,915	242,875	336,408	131,685	857,884	239,409	486,409	529,439	576,047	529,378	2,121,273	548,605
Excess average annual profits over above interest at 6%	13	1,275,912	1,787,740	1,966,628	796,700	5,826,981	1,626,134	1,324,814	2,313,076	2,573,259	2,331,518	8,542,668	2,209,310
at 7%	14	1,254,924	1,753,044	1,918,570	777,888	5,704,426	1,591,933	1,255,327	2,237,442	2,490,967	2,255,892	8,239,629	2,130,938
Value of Goodwill based on ten years purchase of excess profits based on allowing interest on capital at 6%	15						16,261,340						22,093,100
at 7%	16						15,919,330						21,309,380

Larson Exhibit No. 145.

LARSON EXHIBIT No. 145 A

WRIGLEY VS LARSON

MEMORANDUM ON VALUATION OF GOODWILL

	1911	1912	1913	1/1-7/31/14	Total	Average per annum	1915	1916	1917	1/1-11/12/18	Total	Average per annum
Sales for period	$5,860,464	7,283,151	8,973,137	4,485,803	26,602,558	7,423,969	9,717,145	12,482,342	15,713,657	15,316,074	53,229,220	13,766,177
Net Profits as reported	$1,490,074	2,084,154	2,343,213	961,044	6,878,486	1,919,577	1,408,187	2,326,255	2,522,906	2,298,115	8,555,465	2,212,620
Deduct: Amortization of Patents not charged on books until 1918	88,235	88,235	88,235	51,471	316,176	88,235	–	–	–	–	–	–
	$1,401,839	1,995,919	2,254,978	909,573	6,562,310	1,831,342	1,408,187	2,326,255	2,522,906	2,298,115	8,555,465	2,212,620
Add: Excess amount of reserve provided for Contingent Liability on U. P. S. Coupons	–	–	–	–	–	–	333,549	440,626	544,108	482,121	1,800,404	465,621
Adjusted Profits	$1,401,839	1,995,919	2,254,978	909,573	6,562,310	1,831,342	1,741,736	2,766,881	3,067,014	2,780,236	10,355,869	2,678,241
Net tangible capital at beginning of period	$1,500,000	2,697,574	4,241,729	5,369,942								
Net tangible capital at end of period	2,697,574	4,241,729	5,369,942	5,687,016								
Total	$4,197,574	6,939,303	8,611,671	11,056,958								
Average	$2,098,787	3,469,651	4,805,835	5,528,479		3,795,131	6,948,697	7,563,419	8,229,250	8,726,011	31,467,378	
Add: Addition to Surplus through reduction of Contingent Liability on U. P. S. Coupons							268,277	655,364	1,147,731	1,660,846		
Total adjusted average tangible capital							7,216,974	8,218,783	9,376,981	10,386,857		
Interest on average net tangible capital												
at 6% per annum	125,927	208,179	288,350	193,497	815,952	227,707	433,018	493,127	562,619	540,116	2,028,880	524,710
at 7% per annum	146,915	242,875	336,408	225,746	951,944	265,658	505,188	575,315	656,389	630,136	2,367,028	612,162
Excess average annual profits over above interest												
—at 6%	1,275,912	1,787,740	1,966,628	716,076	5,746,357	1,603,634	1,308,718	2,273,754	2,504,395	2,240,120	8,326,989	2,153,531
at 7%	1,254,924	1,753,044	1,918,570	683,827	5,610,365	1,565,683	1,236,548	2,191,566	2,410,625	2,150,100	7,988,841	2,066,079
Value of Goodwill based on ten years purchase of excess profits based on allowing interest on capital												
—at 6%						16,036,340						21,535,310
—at 7%						15,656,830						20,660,790
Increase in value of Goodwill at end of accounting period over value at beginning of accounting period on basis of interest allowance—												
at 6% per annum												5,498,970
at 7% per annum												5,003,960

3796 LARSON EXHIBIT No. 151 Sheet 1

WRIGLEY VS LARSON

Summary of Adjustment of Profits on Doublemint, on Basis of Measuring Deferred Value of Advertising to The Wrigley Company by a Determination of the Increase in the Value of the Goodwill of the Company During the Accounting Period

			6% basis	7% basis
Total advertising expense, as corrected, per Touche, Niven & Co's report, Exhibit C		$6,363,082.11		
Total amount paid for United Profit Sharing Coupons, per Touche, Niven & Co's report, Exhibit D (to October 4, 1918, only)	$1,834,002.53			
Add period October 5 to November 12, 1918, per Exhibit A-7	66,931.10	1,900,933.63		
Total amount of contingent liability on U. P. S. Coupons, per Touche, Niven & Co's report, Exhibit E on 33-1/3% basis (to October 4, 1918 only)	$ 471,316.22			
Add period October 5 to November 12, 1918	5,133.43	476,449.65		
Total cost of printing United Profit Sharing Coupons, per Touche, Niven & Co's report, Exhibit F		37,184.18		
Total Advertising Expense, as corrected			$8,777,649.57	$8,777,649.57
Deduct Increase in value of goodwill during accounting period, representing measure of deferred valued advertising, on 6% and 7% basis, per Larson Exhibit No. 145A			5,498,970.00	5,003,960.00
Balance, to be apportioned			$3,278,679.57	$3,773,689.57
Whereof 15.71% applicable to Doublemint on basis of average percentage of sales for accounting period to total sales during that period			$ 515,080.56	$ 592,846.63
Total charged to Doublemint, per Touche, Niven report, page 2—as charged by Wrigley Co.:				
Advertising		$2,794,651.76		
U. P. S. Coupons		330,320.71		
Contingent liability for U. P. S. Coupons		317,581.15		
Printing U. P. S. Coupons		6,334.86	3,448,888.48	3,448,888.48
			$2,933,807.92	$2,856,041.85
Excess amount charged by Wrigley Company whereof already shown in Touche, Niven & Co's report, page 2:				
Advertising		$1,777,468.17		
U. P. S. Coupons		*2,564.85*		

3797 LARSON EXHIBIT No. 151 Sheet 2

WRIGLEY VS LARSON Page 2

Summary of Adjustment of Profits on Doublemint, on Basis of Measuring Deferred Value of Advertising to The Wrigley Company by a Determination of The Increase in the Value of The Goodwill of the Company During the Accounting Period

		6% basis	7% basis
Contingent liability	$ 219,000.36		
Printing U. P. S. Coupons	*580.44*	$1,993,323.24	$1,993,323.24
Amount to be added to profits shown by Touche, Niven & Co., per report, page one		940,484.68	862,718.61
Doublemint profits, per Touche, Niven & Co's report exclusive of interest and of goodwill or residual value of advertising		2,840,528.74	2,840,528.74
Total profits on Doublemint as adjusted, including goodwill or residual value of advertising, but excluding interest		$3,781,013.42	$3,703,247.35
Amount charged by Wrigley Company, per Touche, Niven & Co's report, Exhibit A-7, on 60% basis	$ 62,785.05		
Less to reduce to 33-1/3% basis	57,651.62		
	$ 5,133.43		

As follows:

33-1/3% of coupons issued	$ 72,064.53
Less Redeemed	66,931.10

7892 LARSON EXHIBIT No. 152

WRIGLEY Vs. LARSON

MEMORANDUM REGARDING THE BASES OF THE VALUATIONS OF GOODWILL AND OTHER INTANGIBLE ASSETS OF THE WM. WRIGLEY, JR. CO.—(1) AT BEGINNING OF THE ACCOUNTING PERIOD AND (2) AT END OF THE ACCOUNTING PERIOD

Angus Steven & Co.
Certified Public Accountants
7 South Dearborn Street
Chicago

7893 Angus Steven & Co.
Certified Public Accountants
7 South Dearborn Street
1006 Tribune Building

Chicago Telephone Central 4086

WRIGLEY Vs. LARSON

MEMORANDUM BY J. ANGUS STEVEN, CHARTERED ACCOUNTANT, CHICAGO, REGARDING THE BASES OF THE VALUATIONS OF GOODWILL AND OTHER INTANGIBLE ASSETS OF THE WM. WRIGLEY, JR. CO.—(1) AT BEGINNING OF THE ACCOUNTING PERIOD AND (2) AT END OF THE ACCOUNTING PERIOD

The value of the Goodwill and other intangible assets being inherent in, and bound up with the earning capacity of, the business of Wm. Wrigley, Jr. Co. it follows that both the tangible and intangible assets are inseparable and must be considered collectively in any estimate of the value of the business. This principle was recognized and given effect to at the incorporation of the Company as of January 1 1911, as shown by the Company's Balance Sheet of that date, wherein the intangible assets are stated in the amount of $7,500,000.00, that being the value of the Common

Stock issued therefor as of that date. The net tangible assets at incorporation amounted to $1,500,000.00, for which Preferred Stock in that amount was issued.

The capitalization of the Company at incorporation as of January 1 1911, and the consideration paid therefor was:

Capitalization	Consideration
$1,500,000.00 Preferred Stock	Net Tangible Assets
7,500,000.00 Common Stock	Intangible Assets
$9,000,000.00	

The value of the intangible assets, which may be described as the capitalized earning capacity of the business in excess of a reasonable return on the money invested in the net tangible assets, is necessarily governed by certain important factors, such as the stability of the enterprise,
7894 the character of the business, or risk involved, the trend of the business, i. e., whether it is showing a healthy growth or is receding, and the probability of the earnings being maintained under a new management or change in personnel. The value of this excess earning capacity is usually capitalized on the basis of a reasonable return on the investment, expressed in a given number of years' purchase.

The earning capacity of the Wm. Wrigley, Jr. Co. was well established at July 28 1914 (the date of commencement of the accounting period) the business having shown marked progress during the 3 years and 7 months between the date of its incorporation as of January 1 1911 and the above date. Substantial progress was also made throughout the accounting period which ended on November 12 1918, notwithstanding the fact that the War Excess Profits and Income Taxes assessed in 1917 and 1918 absorbed, respectively, 35% and 43–1/2% of the earnings from operation, as compared with Federal Taxes of 2% in 1916 and 1% in prior years.

Having regard to the previously mentioned factors on which the capitalization assigned to the intangible assets would be dependent, it might safely be stated that a reasonable commercial return on the money invested in the net

tangible assets would be 8%; and after deducting from the average annual net profits the amount so absorbed, the balance would represent the amount of the excess earnings available for capitalization. The annual return required to be obtained from the capitalization, while a matter of opinion, and in the event of a purchase or sale would necessarily be a matter of negotiation between buyer and seller, would, in the present instance, range from 14-2/7% down to 10%; that is to say, when expressed in equivalent terms of a number of years' purchase, from 7 to 10 years.

In the accompanying statements showing the values assigned to the Goodwill and other intangible assets of the Wm. Wrigley, Jr. Co.:

I. At beginning of the accounting period
II. At end of the accounting period,

the periods used for comparative purposes, are, 7895 respectively, 3 years 7 months and 3 years 10-1/2 months. The results shown in these statements, based on computations outlined above, may be summarized as follows:

	3 years, 7 months immediately preceding the beginning of the accounting period on July 28 1914	3 yrs. 10½ months immediately preceding the end of the accounting period on November 12 1918
Average Investment in Tangible Assets, representing the Common Stockholders' equity therein	$ 2,299,320.94	$ 6,025,294.98
Average annual profits available for the Common Stockholders, being the earnings accruing from the above Investment	$ 1,741,342.41	$ 2,582,482.37
Deduct—8% on Investment	183,945.67	482,023.60
Balance, available for Capitalization	$ 1,557,396.74	$ 2,100,458.77
Capitalized on bases of:		
7 years purchase = 14-2/7% return	$10,901,777.18	$14,703,211.39
8 " " = 12-1/2% "	12,459,173.92	16,803,670.16
9 " " = 11-1/9% "	14,016,570.66	18,904,128.93
10 " " = 10% "	15,573,967.40	21,004,587.70
Or a mean between the two extremes of— (equal to 11-3/4% Return)	$13,237,872.29	$17,853,899.54

If the mean between the two extremes, viz., $8\frac{1}{2}$ years' purchase of the average annual profits in excess of a reason-

able commercial return of 8% on the investment in net tangible assets were adopted as the basis of capitalization of the excess earning capacity of the business (equivalent to a return of 11–3/4% thereon) the value of the Goodwill and other intangible assets at the beginning and end of the accounting periods, and the relative increase, would be as follows:

	Beginning	End	Increase
8–1/2 years' purchase (Return 11–3/4%)	$13,237,872.29	$17,853,899.54	$4,616,027.25

On the basis of 10 years' purchase price being considered equitable, the corresponding values would be:

	Beginning	End	Increase
10 years' purchase (Return 10%)	$15,573,967.40	$21,004,587.70	$ 5,430,620.30

7896 The former, viz., 8–1/2 years' purchase would appear to be too conservative, having regard to the factors previously referred to herein, on which the valuation would mainly be dependent. On this basis the capitalized value at the end of the accounting period on November 12 1918 would be $17,853,899.54. The latter, viz., 10 years' purchase, representing a capitalization of $21,004,587.70 would appear to be more in accordance with fact and nearer the corresponding valuation of $30,900,000.00, established on November 29 1919 (one year after the close of the accounting period) as a result of the quotations of business done on that date in the Common Stock of Wm. Wrigley, Jr. Co. on the Chicago Stock Exchange. The computations resulting in this valuation of $30,900,000.00 are set forth in a statement annexed hereto.

Whichever basis of valuation (if any), is adopted, the relative amount of the increase in the value of the Goodwill and other intangible assets between the beginning, and end, of the accounting period falls to be apportioned between Doublemint and the other brands of gum, in the ratio which the advertising expenses borne by each brand, for the period, bears to the total advertising expenses for the period. This statement is predicated on the assumption that the increased valuation is mainly, if not altogether, attributable to the character and extent of the advertising and publicity campaigns carried out by the company during that period, and the results obtained therefrom.

J. Angus Steven
Chartered Accountant.

Chicago,
March 31 1922.

7897 WRIGLEY VS. LARSON

VALUATION OF GOODWILL AND OTHER INTANGIBLE ASSETS OF THE WM. WRIGLEY, JR. CO.

I. AT BEGINNING OF THE ACCOUNTING PERIOD

Period	Net Profits per Company's Books	Deduct—6% Dividend on Preferred Stock	Net Profits available for Common Stock	Average Investment in Tangible Assets representing Common Stockholders' Equity therein
Year 1911	$1,490,074.47	$ 90,000.00	$1,400,074.47	$ 598,787.23
Year 1912	2,084,154.49	90,000.00	1,994,154.49	1,969,651.71
Year 1913	2,343,213.77	90,000.00	2,253,213.77	3,305,835.84
Jan. 1 to July 28/14	961,044.04	52,500.00	908,544.04	2,364,958.60
Together	$6,878,486.77	$ 322,500.00	$6,555,986.77	$8,239,233.38
Deduct—Amortization of Patents during period, taken up on books in 1918	316,176.45	.....	316,176.45	.....
Total for 3 years 7 months	$6,562,310.32	$ 322,500.00	$6,239,810.32	$8,239,233.38

Average annual Profits available for Common Stock	$1,741,342.41	
Relative Common Stock Investment as represented by the Common Stockholders' equity in the actual Tangible Assets employed to produce the above earnings		$ 2,299,320.94
Whereof—8% on the Investment	183,945.67	
Balance, available for Capitalization	$1,557,396.74	

Capitalizes on bases of—	Capitalized Value
7 years' purchase, equivalent to 14-2/7% return	$10,901,777.18
8 " " " " 12-1/2% "	12,459,173.92
9 " " " " 11-1/9% "	14,016,570.66
10 " " " " 10% "	15,573,967.40
Or a mean between the two extremes of	$13,237,872.29
(equivalent to an annual return of 11-3/4%)	

7898 WRIGLEY Vs. LARSON

VALUATION OF GOODWILL AND OTHER INTANGIBLE ASSETS OF THE WM. WRIGLEY, JR. CO.

II. AT END OF THE ACCOUNTING PERIOD

Period	Net Profits per Company's Books	Deduct–6% Dividend on Preferred Stock	Net Profits available for Common Stock	Average Investment in Tangible Assets representing Common Stockholders' Equity therein
Year 1915	$ 1,408,187.46	$ 90,000.00	$ 1,318,187.46	$ 4,554,412.04
Year 1916	2,326,255.75	90,000.00	2,236,255.75	5,802,230.01
Year 1917	2,522,906.32	90,000.00	2,432,906.32	7,231,075.65
Jan. 1 to November 12 1918	2,298,115.60	78,750.00	2,219,365.60	6,797,173.74
Together	$ 8,555,465.13	$ 348,750.00	$ 8,206,715.13	$24,384,891.44
Add—Excess Reserve for Contingent Liability on U. P. S. Coupons unredeemed, estimated on basis of 33–1/3% as compared with Company's adjusted estimate of 6% at Dec. 31 1918	1,800,404.07		1,800,404.07	
Deduction from Average Investment in Tangible Assets arising therefrom and other adjustments made in the Touche, Niven & Co. Accounts				1,036,873.40
Total for 3 years 10–1/2 Months	$10,355,869.20	$ 348,750.00	$10,007,119.20	$23,348,018.04
Average Annual Profits available for Common Stock			$ 2,582,482.37	
Relative Common Stock Investment as represented by the Common Stockholders' equity in the actual Tangible Assets employed to produce the above earnings				$ 6,025,294.98
Whereof—8% on the Investment			482,023.60	
Balance, available for Capitalization			$ 2,100,458.77	

Capitalized on bases of—	Capitalized Value
7 years' purchase equivalent to 14–2/7% return	$14,703,211.39
8 " " " " 12–1/2% "	16,803,670.16
9 " " " " 11–1/9% "	18,904,128.93
10 " " " " 10% "	21,004,587.70
Or a mean between the two extremes of— (equivalent to an annual return of 11–3/4%)	$17,853,899.54

7899 WRIGLEY Vs. LARSON

CAPITALIZED VALUE OF THE GOODWILL AND OTHER INTANGIBLE ASSETS OF WM. WRIGLEY, JR. CO AT NOVEMBER 29 1919 (ONE YEAR AFTER THE END OF THE ACCOUNTING PERIOD) ON BASIS OF CHICAGO STOCK EXCHANGE QUOTATIONS OF BUSINESS DONE ON THAT DATE.

COMMON STOCK ISSUED AT NOVEMBER 29 1919

	Shares	Par Value	Stock Value
Original Issue 1911 (being the equivalent value assigned to the Goodwill, Patents and other intangible assets as of Jan. 1 1911)	300,000	25	$ 7,500,000.
Stock Dividend 1918	100,000	25	2,500,000.
Total Original Issue and Stock Dividend thereon	400,000	25	$ 10,000,000.
Issue to Public 1919	20,000	25	500,000.
Total Common Stock issued as shown in Company's printed Balance Sheet at July 31 1919	420,000	25	$ 10,500,000.

MARKET VALUE OF COMBINED ORIGINAL ISSUE OF COMMON STOCK AND STOCK DIVIDEND PAID THEREON—AT NOVEMBER 29 1919

(Being the Capitalized Value of the Goodwill and other Intangible Assets)

	Market Value	Capitalized Value
400,000 Shares of $25.00 each, as above	83-1/2	$ 33,400,00.
Deduct—Par Value of Shares issued as Stock Dividend		2,500,000.
Capitalized Value of Intangible Assets at November 29 1919 on basis of market value at that date		$ 30,900,000.

Filed
Jan 7—1925
at....O'clock....M.
John H. R. Jamar
Clerk.

3829 LARSON EXHIBIT No. 153

WM. WRIGLEY JR. CO.

COMMON STOCK

3830 WM. WRIGLEY JR. CO.

Incorporated under the Laws of the State of West Virginia

Capitalization

7% Cumulative Preferred Stock—Authorized and Outstanding.....$ 1,500,000
Callable on any dividend date at 110 and dividend.
Common Stock—Authorized.....$15,000,000
Outstanding—420,000 shares, Par Value $25 each..... 10,500,000

Transfer Agent	Registrar
First Trust & Savings Bank, Chicago	Illinois Trust & Savings Bank Chicago.

Copy of Letter from the President.

Sept. 2, 1919.

Messrs. F. B. Hitchcock & Co.,
Chicago, Illinois.

Gentlemen:

In answer to your request for a brief history of our business, I believe the following will be of interest.

The business of Wm. Wrigley, Jr. Co. was founded in 1891 with a capital of $5,000.00 and was successful from the start. The present corporation was organized in 1911 and is capitalized as follows: $1,500,000 7% Preferred Stock, Authorized and Outstanding, callable on any dividend date at 110 and accrued dividend; $15,000,000 Common Stock, of which $10,500,000 is outstanding, represented by 420,000 shares, $25 Par Value.

The business up to the present time is the outgrowth of the original investment of $5,000.00, the proceeds from the sale to you of 20,000 shares common stock being the only outside capital ever introduced into the business.

Wm. Wrigley Jr. Company is today the largest manufacturer of chewing gum in the world, owning factories in Chicago and Brooklyn with a combined daily capacity of over 250,000 boxes(25,000,000 sticks). Over $20,000,000.00 has been expended by the Company and its predeces-
3831 sors for advertising, resulting in a world wide distribution of its product. The Company is strongly intrenched as regards raw materials and owns and has developed special machines and labor saving devices which greatly simplify and lessen its cost of production. Sales for the year 1917 amounted to over $15,000,000.00, for the year 1918 to over $16,000,000.00, and for the first seven months of 1919 are approximately $16,000,000.00. Profits have shown a satisfactory increase with sales. Dividends on the common stock have averaged over 16% per annum

since 1914, and a substantial surplus created. The Company is now paying 50c per share monthly.

I attribute the success of the business to the superiority of our product, our methods of advertising, and the loyal and efficient organization which I have built up around me for the conduct of the business. No change in the Management of the Company is contemplated.

Yours very truly,
Wm. Wrigley, Jr.
President.

3832 WM. WRIGLEY, JR., CO.

BALANCE SHEET—JULY 31, 1919.
(After Giving Effect to the Sale of 20,000 Shares Common Stock)

Assets			
Current Assets:			
Cash		$ 2,075,781.46	
Accounts and Notes Receivable		3,275,749.28	
Inventories		5,108,173.03	
Bonds (including $1,874,926.50 U. S. Government Bonds)		2,287,926.50	
			$12,747,630.27
Other Investments			2,513,824.86
Real Estate, Buildings, Machinery and Equipment Less Depreciation			2,284,508.56
Patents		1,500,000.00	
Less: Reserve for Extinguishment		757,352.90	
			742,647.10
Good Will			6,000,000.00
			$24,288,610.79
Liabilities			
Current Liabilities:			
Accounts Payable		$ 499,225.50	
Federal and State Taxes, including estimate for seven months ending July 31, 1919		3,040,646.24	
			$ 3,539,871.74
Real Estate Mortgage			190,000.00
Reserve			3,264,810.59
Surplus			5,293,928.46
Capital Stock:			
Preferred Stock—			
Authorized	$ 1,500,000.00		
Outstanding		1,500,000.00	
Common Stock—			
Authorized	15,000,000.00		
Outstanding		10,500,000.00	
			$12,000,000.00
			$24,288,610.79

3833 CONDENSED SUMMARY OF NET PROFITS
FOR PERIOD FROM JANUARY 1, 1917, to JULY 31, 1919.

	Year ending Dec. 18, 1917	Year ending Dec. 18, 1918	Seven Months to July 31, 1919
Net Sales	$ 15,402,987.70	$ 16,708,760.53	$ 16,103,567.30
Net profits before deducting Federal Taxes	3,954,057.72	4,356,280.21	5,176,931.17
Net profits after deducting Federal Taxes, including estimated taxes for seven months to July 31, 1919	2,591,424.46	2,314,987.73	3,176,931.17

We have examined the books and accounts of the Wm. Wrigley Jr., Company for the period from December 18, 1916, to July 31, 1919, and certify that the attached statements correctly exhibit the earnings for that period and the position of the company at July 31, 1919, after giving effect to the Sale for Cash of 20,000 shares of Common Stock.

The Real Estate, Buildings, Machinery and Equipment are stated at Cost, less depreciation to date.

The Inventories of Merchandise and Materials are priced at Cost. Accounts and Notes Receivable are all considered to be good. The Cash in Banks and Securities owned have been verified.

We have been assured that all Liabilities have been disclosed.

(Signed) Arthur Young & Co.
Certified Public Accountants.

Legality of the organization of the Company and issuance of the stock has been approved by Messrs. Mayer, Meyer, Austrian & Platt, Chicago.

The Common Stock is listed on the Chicago Stock Exchange.

This information and these statistics are not guaranteed, but have been obtained from sources we believe to be reliable.

7907 LARSON EX. NO. 155.

Offered, not admitted.

Some Considerations Involved in the Valuation of Goodwill*

By Herbert C. Freeman

So many definitions of goodwill have been given by the courts and by writers on economics and accounting that it appears to be almost as futile to attempt a new definition as to quote those already on record. The subject is, however, one of considerable interest and the opinion may be ventured, with all respect, that a new interpretation, let us say, rather than a definition, of the term is not untimely.

Stated as an asset in corporate banance-sheets, goodwill has been an object of grave concern to orthodox accountants since accountancy has been a profession. A natural repugnance to intangible, possibly ephemeral assets, combined with the feeling that the goodwill was inseparable from the business and, therefore, should not be stated as a distinct asset, led conservative men to take the position that the item of goodwill in a balance-sheet was an undesirable one. As well set a price upon the specific properties of a material, as distinguished from the value of the material itself, as place a value upon that which converted a mere schedule of property and debts into the balance-shee of a going concern. To those whose economic creed remained sufficiently undisturbed by more modern thought, goodwill might almost as well be regarded as a liability as an asset, for it represented the inequality which would attract competition and thus in due course reduce the business to the inevitable dead level towards which was the trend of the reward of capital in all static communities. Viewed from this aspect, it was certainly an asset to be amortized as speedily as possible.

Nevertheless the hard facts persisted that business men were willing to give valuable consideration to acquire goodwill, that the courts recognized that goodwill had a specific and separate value although inseparable from the business to which it adhered and accountants were frequently and continually called upon to determine that value. In the series of industrial consolidations which took place during

*A paper read at the annual meeting of the American Institute of Accountants, September 20, 1921.

the period from 1860 on, the necessity for recognizing the variations between the proportions shown by the earning powers of the respective constituent businesses and those shown by the tangible assets contributed by them to the consolidation resulted, apart from any other actuating motive, in the establishment of valuations for goodwill, so-called, which appeared in the balance-sheets of the consolidated companies, in many cases merged with the values of other fixed assets.

Then followed the period of corporate promotions in which the manager-proprietor invited the investor-proprietor to take a participation in a business which he, the manager-proprietor or possibly his family for generations before him, had built up, on condition, however, that the goodwill value should be adequately recognized.

A formula for the determination of the value of goodwill, applicable to such cases, had been generally accepted and given legal sanction, but very considerable latitude remained in the application of the formula, and nothing approaching uniformity of practice had been developed. This fact, in conjunction with the almost complete discretion given to directors, acting in good faith, to determine the value to a company of any property acquired resulted in goodwill valuations being set up which in many instances exceeded in amount the entire value of the tangible assets of the company. In a few cases the directors acted upon the strength of specific appraisals of the goodwill made by accountants. In the majority of instances, however, accountants were not consulted as to the value of the goodwill, which was determined by the bankers and confirmed by the appraisal of a committee of independent appraisers, generally merchants of high standing, upon whose report the directors acted. The value thus established accordingly had due legal authority to support it, in the sense that the courts would not question the judgment of the directors and that the stock issued for the property, including goodwill, would be fully paid and the validity of its issue upheld. There was, at any rate, nothing in the procedure which could in any way mislead an investor or a speculator, and an accountant could certify to the accuracy of the balance-sheet without any misgivings as to the goodwill valuation. So many elements enter into the determination of market value that it is perhaps incorrect to say that the stock market passed judgment upon the basis of capitalization of goodwill in each particular case in estab-

lishing the price-level for the stock issued, in effect, against goodwill. In a broad sense, however, this statement is probably justified.

7908 Accountants thus became accustomed to accept, at any rate without protest, goodwill valuations in the determination of which they may have had no part and the amounts of which they in all cases might not be prepared to defend. That this is the case is evident from a table given in a study of industrial flotations made from Johns Hopkins University by Kemper Simpson (The Capitalization of Goodwill, pp. 44-45) in which is shown the "probable percent earned on the common stock, after deducting preferred dividends from net profit," in the case of forty-six companies in which on the average the preferred stock represented seven-tenths of the tangible assets. In two cases the percentage is zero; in eleven cases it is five per cent. or less; in twenty-one cases it is between five and ten per cent.; in five cases it is between ten and twenty per cent.; in six cases it is between twenty and thirty per cent. and in one case it is over thirty per cent.—obviously too great a variation to be capable of substantiation by a uniform rule, uniformly applied.

It is to be feared that in the minds of many the item of goodwill in the balance-sheets of these companies was looked upon as merely a "balancing figure," of no particular significance, although understood to bear some relation to earning power." The possibility that investors, small investors particularly, might be misled by the sale of certificates representing stock of so many dollars' par value, issued for a mixed aggregate of assets of which intangibles constituted a predominating or considerable part, did, indeed, lead to the passage of no-par-value stock laws in New York and several other states, it being one of the manifest intentions in the minds of the authors of these laws that stock of this character should be issued in the acquisition of property of which the value was so much a matter of arbitrary determination that no definite measure for it could be established. Whether this has been accomplished with any beneficial effect so far as the small investor is concerned does not enter into the present discussion.

It may be conceded, however, that the corporation which carried no valuation for goodwill in its balance-sheet was generally regarded as being conservatively capitalized, while the one in which goodwill was carried at any substantial value was frequently referred to as having "watered stock."

From this point of view, then, the revenue acts of 1917 and of 1918 penalized conservatism and put a premium on "watered stock," so-called, in permitting the inclusion of good-will in invested capital, within certain limitations, not only in cases in which "payment has been bona fide made therefor specifically as such in cash or tangible property" (when indeed there could be very little question of its exclusion), but also in cases in which it had, prior to March 3, 1917, been also acquired by the issue of stock. The sections of the law (title I, sec. 207 of the law of 1917 and title III, sec. 326 of the law of 1918) are too well known to call for quotation here.

The principal limitation placed by the law upon the amount at which goodwill shall be included in invested capital is that it is not to exceed the actual cash value at the time of such purchase. Since in the vast majority of cases an independent cash offer for the goodwill at the date of purchase is not in evidence to substantiate the value at which it is sought to include the goodwill, the problem resolves itself into a valuation by formula or computation. The supplementary limitation placed by the law upon the value, viz: a maximum of twenty per cent. of the capital stock outstanding on March 3, 1917, in the act of 1917, and twenty-five per cent. (including other intangibles) under the act of 1918, might appear to render the determination of the actual cash value a matter of secondary importance, but the revision of tax returns for the year 1917 and subsequent years now in progress by the treasury department is being made on a basis which indicates that the proof of actual cash value is not to be regarded as any perfunctory matter. The point of view is somewhat changed. Most of the legal cases having to do with the valuation of goodwill arise from the desire of state governments to establish a value of goodwill in taxing the estates of decedents; now the federal authorities are interested in ameliorating the gross inequity arising from the failure of the law to permit any valuation of goodwill in cases in which no capital stock had been issued for it and, incidentally, in collecting taxes. Accountants on the other hand are taking a distinctly more liberal view of goodwill. One is strangely reminded of Pope's line concerning the "monster of so frightful mien" which "we first endure, then pity, then embrace." The embrace, however, must be give nand received with due decorum. One must not permit a tax law or a series of tax laws to change him into a philanderer, even with intangibles! The question

of the valuation of goodwill must be looked at from a
7909 strictly disinterested point of view, not with regard solely to taxes, and our reasoning on the subject must be as nearly abstract as the case will permit.

The time is opportune, however, to reconsider somewhat the nature of goodwill and to examine the basis or bases for its valuation.

The conception of goodwill has undoubtedly grown broader from time to time, the extension of the idea apparently following to some extent the increasing complexities of modern business, with the consequent application of the term to conditions of the most varied character. A tendency would appear to have developed to treat goodwill as synonymous with earning power to the extent that such earning power exceeds the ability to yield a certain arbitrary rate of income upon the tangible capital invested in a business. The development has taken place to some extent in a circle: the ordinarily accepted measure of the value of goodwill in its simple form was some multiple of the excess of the average profits over interest on capital and management remuneration; therefore excess earning power and goodwill were one and the same thing. The degree of fallacy involved in this method of approaching the subject has undoubtedly resulted not only in the valuation as goodwill of earning power arising from causes entirely unrelated to goodwill, but also in failure to recognize the existence of goodwill of undoubted value in cases in which, for one reason or another, the customary formula yielded no result. Before proceeding to discuss some matters of detail arising in connection with the valuation of goodwill according to the method generally accepted, the considerations particularly involved in some of these special cases will be mentioned. It will be seen that the same questions arise, though they are generally disregarded, in almost every case of valuation.

Let us first refer to certain of the definitions of goodwill which have been accepted as authoritative. Lord Eldon said in the earliest case recorded dealing with goodwill—*Crutwell* v. *Lye* (1810. Ves. 335): "The goodwill which has been the subject of sale is nothing more than the probability that the old customers will resort to the old place." Lord Cranworth said in *Austin* v. *Boys* (1858, 27 L. J. Ch. 714): "When a trade is established in a particular place, the goodwill of that trade means nothing more than the sum of money which any person would be willing to give for the chance of being able

to keep the trade connected with the place where it has been carried on." Lord Justice Lindley said in *The Commissioners of Inland Revenue* v. *Muller, Lim.* (1901, A. C. 217): "Goodwill regarded as property has no meaning except in connection with some trade, business or calling. In that connection I understand the word to include whatever adds value to a business by reason of situation, name and reputation, connection, introduction to old customers, and agreed absence from competition, or any of these things, and there may be others which do not occur to me."

Mr. Justice Story says "goodwill may be properly enough described to be the advantage or benefit which is acquired by an establishment beyond the mere value of the capital, stock, funds or property employed therein, in consequence of the general public patronage and encouragement which it receives from constant or habitual customers, on account of its local position or common celebrity, or reputation for skill or affluence, or punctuality, or from other accidental circumstances or necessities or even from ancient partialities or prejudices." (Story, Partnership, 7th ed., p. 99.)

Lord Eldon's definition, taken as a somewhat colloquial expression—and it seems to some extent to have been so intended—covers the ground as effectively as any of the others. All the legal definitions indicate very clearly that the thought in the mind of the court was the essential identity of goodwill with reputation, commercial standing, location and all other favorable conditions leading customers to deal with a business. There appears, however, to be only the authority of custom to bridge the gap between the definition and the almost invariable acceptance by the court of the rule that the value of the goodwill is measured by some multiple of the excess of the average annual profits for a term of years past over interest on the average capital employed during that period and management remuneration. In a retail business of a simple character this rule, it is true, may be an entirely acceptable one, but the least departure in the nature of the business from stereotyped form involves immediately the possibility either that what is being valued is something other than that covered by the definition or that the rule of valuation is being extended to cover cases to which it does not apply, except with such reservations as practically to call for a new rule.

It appears to be illogical, in the first place, to value the

trade connections of a business, not in terms of volume
7910 of business or number of customers, more particularly not in terms of the growth of these factors over a period of years, but, instead, on the basis of a net resulting profit from the business, to the production of which a number of circumstances may have contributed which have no direct bearing upon the continued enjoyment of public patronage or trade connections.

Let the case be considered of two stores in a town, located in equally favorable positions, enjoying approximately equal advantages and handling substantially the same amount of business at the same rate of profit. Let it be assumed that the management of one of these stores decides upon a definite policy of building up trade by various means which involve for the time being increased expense or reduced gross profits, and that the other store is satisfied to make the same profit upon its old volume of business. The two stores might, over a series of years, continue to earn the same amount of profit as before, and yet it could hardly be contended that the business which had attracted more customers and built up its volume of trade had not measurably increased its goodwill over that of the more conservative store. The objection may be made that in order to hold the increased volume of trade the more progressive business must continue to operate at the restricted percentage of net profit and that accordingly its goodwill, though admittedly greater in terms of the legal definition, has no greater value than that of the other business. This, however, is theoretical and not consistent with general experience. The net profit of the growing business will tend eventually to outstrip that of the other. A more valid objection might be that a part of the expenses of the growing business should not be charged against income for determination of goodwill. Under the conditions assumed the increased expense or loss of revenue would probably not be represented by any specific item or even group of items, and this objection is in reality a recognition of the weakness of the accepted formula.

On the other haid, it is a well-known fact that although the profits of retail establishments at any rate did not diminish during the war period, the increased amount of business on which these profits were earned represented a smaller number of transactions with an actual loss in number of customers. It is a notorious fact that a real and effective "buyers' strike" set in in 1920 directed mainly against the retail

stores. Without in any way going into the merits of the case, it will surely be admitted that the goodwills of retail businesses generally were never weaker than at the close of a period when, measured according to the conventional method, they would have shown the highest valuations.

In certain specific trades, the value of goodwill is based entirely on volume of business—in the case of saloons (chiefly under English practice) upon the volume of purchases and in the case of dairies upon the volume of sales. It may be a factor in these cases, first, that the volume is much more definitely determinable than any other element and, second, that given a certain volume, the normal profits can practically be computed by anyone familiar with the business. These instances are rather exceptions to the general rule. It is my opinion, that the value of goodwill is rather to be based upon the capitalized value of the normal net profit per unit sold, computed on the number of units sold during the last fiscal period, increased or decreased in the proportion which the number of units sold during the last period bears to the average for, say, the last five periods, or which the average for, say, the last three periods bears to the average for the last five or seven periods. This suggestion is put forward somewhat tentatively and perhaps to some extent as a basis for discussion. It is submitted, nevertheless, to serve as an indication of some measure of value which corresponds more accurately to the particular subject of valuation, unless goodwill is frankly to be identified with capitalized value of excess earnings based upon past performances. Unless some formula constructed broadly upon the lines indicated, or with the same object in view, is adopted, it is difficult to see what can be the validity of any valuation of goodwill determined, for example, upon the basis of results shown by the trading of the past five years.

It is recognized that the formula suggested in itself raises points of difficulty. The determination of the proper unit may in certain cases present an obstacle, but very few businesses are operated without the development of statistical data based upon units of quantity, measurement or activity and these will readily lend themselves to the purpose in view.

As to what constitutes the normal net profit per unit some difference of opinion may exist. The figure to be used is intended to represent the profit per unit in excess of interest on capital and management remuneration, under normal condi-

tions, that is to say, with prices neither inflated nor over-
7911 deflated and with properly balanced costs. This profit may be greater or less than the actual average during the period used to determine quantities, depending upon any abnormal conditions existing in the trade or in the particular business, or upon contemplated changes in the conduct of the business, but as far as possible the element of conjecture or estimate should be eliminated and actual results used.

In arriving at both profit per unit, amount of capital upon which to charge interest and rate of interest to be charged, various points will present themselves for consideration. It is hoped that the comments which follow upon these points will be of interest, apart from the suggestions made with regard to the necessity for a revision in the orthodox formula, as bearing upon the determination of the figures required for the purposes of that formula.

First with regard to the profits upon the basis of which the value of goodwill is to be computed, it is obvious that profits or losses of an extraneous character must be excluded in arriving at the base. Extraordinary profits upon the resale of raw material or, in the case of a retail establishment, upon the sale of merchandise in bulk must be excluded. As to whether losses of a similar character should similarly be excluded depends upon the circumstances in each case, it being necessary to determine what relation the original purchase bore to the regular trading account of the business and the conditions which demanded that a sale be made.

The results of discontinued divisions of the business should be excluded but in doing this it is important to see to what extent the fixed charges and expenses of the business were absorbed by a distribution which threw any part of them against the portion of the business which requires to be disregarded, and to decide how far it may be necessary to reintroduce these expenses into the charges against the remaining departments.

The necessity for the valuation of goodwill frequently arises in cases of reorganization in which the values of assets other than goodwill are being restated. Leases formerly not carried at any value may be valued and set up; fixed property may be reappraised; mineral rights or timber lands may be increased from a nominal or low valuation to one based upon surveys of the property and estimates by engineers of its value; property formerly leased may be acquired in fee; and

changes of various kinds either in actual conditions or in statement of values subject to depreciation or amortization may be made. In arriving at the profits upon the basis of which the goodwill valuation is to be determined, cognizance must be taken of all such charges and charges made for depreciation, amortization, depletion of minerals and timber and for rentals and other items based upon the new values and conditions rather than the old, since it is under these conditions that the income of the business will in future be determined.

In the case of proprietary articles, where advertising is an important element of selling expense, it will frequently be found that much more intensive advertising is done in certain years than in others. An advertising campaign on a large scale is entered upon in one year or season with the object of giving the business great momentum. The expenditures for the succeeding year or two are on a more moderate scale and then before the momentum is lost a new campaign is undertaken. This method has undoubtedly lost favor during the past few years when equalization of profits from year to year has been so desirable from the taxpayer's point of view, but where it is found to have been followed it is important that complete cycles of years from the point of view of advertising appropriation should be taken in the statement of profits for goodwill purposes.

The question of the effect upon profits of shrinkage in merchandise values is one which presents some difficulty in considering profits for goodwill valuation, and the unprecedented extent to which this element enters into the accounts of practically every business during the past year and that now current will render it particularly necessary to decide whether or not it shall be ignored. In the valuation of goodwill for the capitalization or sale of a business, the problem would probably be dismissed, perhaps properly, by treating the years 1920 and 1921 as entirely abnormal and by excluding them from the basis of the calculation. In doing this, however, it will be necessary to consider whether or not the preceding years were not years of such exceptional profit as to render them almost equally unreliable for the measurement of goodwill value.

Cognizance should unquestionably be taken of ordinary fluctuations in merchandise values. They represent conditions which are inseparable from business operation and if

goodwill is to be measured by excess earning power, they
7912 must be taken into account. When it is remembered that the reduction in inventory value at the end of a period seldom if ever reflects the total shrinkage in value, some part of which is of necessity absorbed in the loss of gross profit on current transactions and, further, that appreciations in value, while never taken in inventorying merchandise, are nevertheless just as certainly absorbed in current transactions, it is evident that no justification exists for disregarding reductions in inventory values.

The question of what is to be done with regard to the years 1920 and 1921, however, cannot altogether be dismissed. Goodwill will require to be valued as an asset of decedents in many estates falling in in 1921 and the years immediately following. The state is hardly likely to be willing to treat the profits of the war years as abnormal; and since the invariable practice in valuing goodwill in the surrogate's court appears to be to capitalize excess earning power (a method which in this class of cases, particularly, appears to present the possibility of injustice, since the skill of the decedent may have contributed to the result to a proportion not to be measured by an allowance for salary) it appears only equitable that the exceptional hazards should be set against the exceptional gains.

In determining the amount of capital upon which an initial return is to be computed and charged against profits before ascertaining the basis for goodwill valuation, adjustments must necessarily be made corresponding to those made in the amount of profits or in arriving at the profit per unit as indicated earlier in this paper; that is to say, the value of assets subject to depreciation, depletion, rental, etc., must be brought into harmony with the conditions which will obtain in the situation for the purposes of which the goodwill is being valued.

The assets should be carefully scrutinized for any items of a character extraneous to the business. If a reserve fund is carried invested in gilt-edged securities, the return on which is lower than the rate of initial return which might reasonably be charged on capital invested, it is proper to exclude both principal and income from the bases of calculation. It is obvious, however, that as to investments or assets, even of an extraneous character, which yield an income substantially equal to a commercial return on capital, no purpose is served by eliminating them and the income upon them.

In considering generally the question of unproductive assets and of assets from which the income is negligible or which may even represent a dead expense, much caution must be exercised before it is decided to eliminate them. The ownership of such properties may indirectly contribute to the profits from the active part of the business. Interest may never be paid on the bonds of a country club owned by an hotel, but the country club facilities may be very strong factors in bringing patronage to the hotel. A theatre used for vaudeville or "legitimate" drama in a chain of motion-picture houses may be an unprofitable venture, but its ownership may prevent its use by other proprietors for motion-picture purposes in competition with one of the profitable houses in the chain. Instances of this kind can be multiplied, and similar conditions affecting manufacturing and trading concerns will frequently be met.

On the other hand, the question of treatment of investment in and expenses of carrying excess facilities for manufacturing or other purposes will in many instances need to be considered. A chemical company, let us say, constructs a plant for the manufacture of some product of the nature of a proprietary article in which it has previously built up a business. A reasonable estimate can be made of the increased volume of business which can be attained in, say, five years and the company is advised to construct a building and put in underground tanks and pumping system, together with certain other portions of the required equipment, adequate to handle the expanding volume, leaving only a part of the machinery and appliances to be added to from time to time as the volume increases. The cost of insurance, maintenance and general overhead of the temporarily unused facilities is clearly not a charge against profits for the determination of goodwill, nor is interest on the excess capital invested to be deducted therefrom. Even assuming that the valuation of the goodwill is required for the purposes of a sale and that the facilities are at the time of the sale still in excess of the requirements of the business, the goodwill valuation should proceed upon the basis of the facilities actually employed from time to time and the purchaser should make a reserve against the combined appraised value of the property and goodwill sufficient to cover the carrying charges on the excess facilities up to the estimated date of their employment in the business.

7913 Having determined the profits of the business and the amount of the tangible investment, the question of the

rate of initial return to be allowed on the investment must be considered. The proper rate would appear to be the normal rate at which capital could be secured, representing the whole of the net tangible assets, at the date as of which the goodwill is to be valued. This will depend largely upon the ratio of the earnings to the assets, the nature of the business and the character of the assets. It is well recognized that there are certain limits within which capital can be raised by the sale of bonds, and certain other limits within which preferred stock can be sold and so on. These limits naturally vary very considerably at different times, depending upon the condition of the money market and of the investment market. If at a given time, for example, capital can be obtained for an industrial by the issue of a 7% preferred stock to the full amount of the tangible assets, provided the dividend has over a series of years been earned, on the average, at least four times, then seven per cent. would be a proper rate to charge on the tangible assets, upon the valuation of goodwill as of that time, where this condition as to earnings was met. If under other money-market conditions a five per cent. bond could have been sold to an amount equal to, say, forty per cent. of the tangible assets with a six per cent. preferred stock for a further forty per cent. and a common stock on which it was expected to pay ten per cent. issued for the balance of the tangible assets and the goodwill, provided certain ratios of earnings to interest charges and dividends could be shown, then six and one-half per cent., approximately, would be a proper rate to use. The significant point is, that the conditions to be observed are those ruling at the date as of which the goodwill is being valued and not those existing at the time of any subsequent review of the valuation. This point is of special importance in connection with the valuation of goodwill as invested capital under the tax laws of 1917 and 1918. It must also be kept in view that the rate to be used must be one which is applicable to the entire amount of the tangible assets at the risk of the business. The legal rate of interest and the rate ruling on loans, even unsecured loans, is not necessarily any criterion. It is interesting to note, however, that in a number of decisions in the New York courts, the rate of six per cent. appears to have been adopted without question. On the other hand, the treasury department (Bulletin 10-20-777, A. R. M. 34) appears to consider ten per cent. a proper rate, which may be reduced to eight or nine per cent. in stable business—this without particular reference to the date as of which

the valuation is to be made or the extent of the margin of safety as measured by the ratio of earnings to the required interest on capital. Apart from any other consideration, the actual facts attendant upon the capitalization of goodwill must be recognized, and if a preferred stock at a fixed rate of dividend was sold to third parties to an amount equal or substantially equal to the tangible assets, as happened in a great many cases, the rate of return on such preferred stock should govern.

In the absence of any such conclusive evidence, the nature of the assets as well as the ratio of the earnings to the tangible assets must be taken into account. For example, an investor would provide capital equal to the total tangible assets of a mercantile business at a lower rate if a substantial part of the capital were represented by a loft building, readily available for rental to other tenants, than if the entire tangible assets consisted of merchandise, accounts receivable and fixtures. The same would be true of a chain-store business in which a substantial part of the assets consisted of store properties located in various cities throughout the country. In other words, the freedom of any substantial part of the capital from the hazards of the particular business would tend to attract capital at a lower average rate. A combination of a tannery with a shoe manufacturing plant, of a throwing plant with a silk-weaving mill, of a foundry with a machine shop are examples of cases in which the more ready adaptability of a part of the assets to general uses will tend to reduce the rate at which capital could be obtained for the more specialized business.

There remains to be considered the percentage at which goodwill should be capitalized, or, using the general expression, the number of years' purchase to be paid for the goodwill. This is by far the most debatable point in connection with the matter of goodwill valuation, and the one as to which the greatest exercise of judgment is required. The problem has been somewhat complicated by the thought which has undoubtedly existed in the minds of accountants, that goodwill was an asset which had to be amortized, and the values set upon it have accordingly been fixed with the purpose of providing out of income for a proper return on the capital
7914 value and for the writing off of this latter item. One writer on the subject even holds that if five years' purchase of goodwill is paid, the goodwill should be written off in five years. This obviously provides for no return on the

investment in goodwill during this period. That this is fallacious is manifest from the fact that, other things being equal, the older the business the more stable is the goodwill value, although on the amortization hypothesis the goodwill should have disappeared in such a business, and only a business which had just reached maturity would have a goodwill, the value of which would in turn tend to disappear. It is true that mortality among businesses is by no means a negligible factor, but probably as many failures and reorganizations are due to the inadequacy of capital to handle the volume of business springing from an increasing goodwill as are due to the disappearance of goodwill.

An important distinction to be considered in the valuation of goodwill is that between what may be called institutional goodwill and goodwill which attaches solely to a particular product. Heinz, for example, could easily sell one hundred and fifty-seven varieties as fifty-seven, and the goodwill would attach to them all. If the human rate ever achieves the unhappy state of absorbing nutriment in tabloid form, Heinz will undoubtedly supply us with tabloids. On the other hand, the goodwill which attaches to the well advertised brand of "Danderine" does not in any way attach to the equally well advertised brand of "Cascarets" which is a product of the same company, and neither of these brands helps or is helped by Bayer's "Aspirin," more recently acquired by the company. The goodwill of the proprietors of these branded goods cannot be said to be institutional. If we progress to the point where the rate becomes independent of these remedies, the goodwill attaching to them cannot be transferred to some product more appropriate to our requirements in that era. We have seen the goodwill of the name "Studebaker" survive the passing of the spring vehicle and even the sale of the farm wagon business and continue with a value many times increased as an institutional goodwill. These are by no means isolated cases but can be taken as representing a condition. It may, therefore, be accepted as a principle that the value of an institutional goodwill is worth a greater number of years' purchase than a goodwill based on brands or trademarks.

The goodwill of a business which is country-wide should be valued upon the basis of a greater number of years' purchase than that of a more localized business. The goodwill of a chain-store business, spread over a large number of cities, should be measured by a larger multiple than that of a single

store or even of a chain of stores in one large city. The goodwill of a mail-order business, dealing with customers direct in all parts of the country, upon a basis which necessarily implies particular confidence on the part of the customer should similarly be measured by a reasonably large multiple. The goodwill of a single theatre, except where it has somewhat of a neighborhood or institutional character, may be small. "The play's the thing!" But as one of a circuit or chain of amusement houses it may have a more permanent value.

In the case of any business, manufacturing or trading, it may perhaps be said that the following factors, in addition to those already mentioned, all tend to product a goodwill of a relatively high number of years' purchase: (a) a wide distribution of product in proportion to the volume; (b) a wide diversity of products sold under one institutional or trade name; (c) a business in staple lines in general demand by the public, as distinguished from one in specialties of limited use.

Unless the effect upon the term of years' purchase of goodwill of the respective conditions of increasing, stationary or decreasing volume is expressed by some modification of the usual formula on the lines suggested in this paper, it will be apparent that it must be dealt with as an independent factor. It would appear to be beyond question that the goodwill of a business showing a steady increase in volume and profits is worth a greater number of years' purchase on an average of past profits than one showing more uniform volume and profit and, a fortiori, than one showing a declining volume and profit.

Particular consideration must be given to the possible effect of legislation or tariff upon the future of a business. Other things being equal, a business which is little dependent on tariff protection will have a goodwill value measured by a greater number of years' purchase than one which is more likely to be adversely affected by changes in tariff rates. The danger of a business being prohibited by law is one which would reduce the goodwill value possibly to a negligible amount. It would be impolitic in these days even to suggest any businesses which might be so affected!

7915 A condition arising from a development almost within the present generation, in the form of business organizations, has to be taken into account in fixing the number of years' purchase of goodwill, viz: that the more general adop-

tion of the corporate form, the vast increase in the number of corporations of which the securities are distributed among a relatively large number of stock-holders, and the increase in the number of trained experts available for the management of properties, all tend towards greater possibilities in the perpetuation of enterprises and the establishment of permanent goodwill. It is also necessary to recognize the fact that investments in goodwill, recognized and frankly expressed as such, are more sought after under existing conditions than under the conditions which obtained when many of the legal and accounting precedents by which we have been governed were established. An increase in demand is reflected in general by an increase in price.

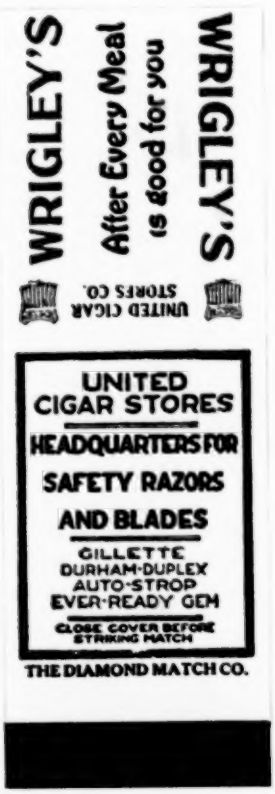
While the courts do not seem for the most part to have approved valuations based on more than five years' purchase, the court, on the second appeal of *Von Au* v. *Magenheimer* (126 App. Div. 257) held it not to be an error to refuse to charge that in estimating goodwill by the net profits the number of years cannot exceed five, and in that case, in which the goodwill of a number of candy stores was involved, the multiple used was six years' purchase. In valuing the goodwill of Tiffany & Co., the court approved a multiple of ten years' purchase (*Matter of Moore,* 97 New York 238). This case was decided as recently as 1916, and represents probably the maximum valuation which has been approved by the courts.

The number of years' purchase which can be applied to business of various classes is not a matter upon which it is possible to dogmatize. No classification by kinds of business is possible, and each case, it would appear, mut be considered on its merits. In view of the conditions to which reference has been made, however, it is felt that the approximate maximum of five years set by most writers on the subject is no longer justified. The extension of this multiple to eight years or even in extreme cases to ten years is fully justified, having in view the stability and apparent permanence of goodwill values established under modern business conditions by many industrial corporations dealing on a national or an international scale in commodities of a staple character.

It will be recognized, it is hoped, that this paper attempts to deal with only one phase of the subject of goodwill and even as to that phase is intended chiefly to stimulate discussion of the subject. A very comprehensive and useful textbook on the general subject of goodwill will be found in *Goodwill and its*

Treatment in Accounts, by Dicksee and Tillyard, though certain opinions expressed in this paper will be found to be somewhat at variance with these authors. The article on goodwill by Mr. Sidney S. Dawson in Lisle's Encyclopaedia of Accounting will also be found very interesting, and many of the standard textbooks on general accounting deal with the subject of the treatment of goodwill in accounts in a manner which renders unnecessary any reference to this aspect of the matter in a paper of this kind.

LARSON EXHIBIT NO. 156.



7916 LARSON EX. 162.

A. M. Price
Wm. Wrigley Jr. Co.
Oct. 24, 1912.

Filed Jan. 7, 1925, John H. R. Jamar, Clerk.

Memorandum of Agreement made this 24th day of October, 1912, by and between Albert M. Price, Chicago, Illinois, Party of the First Part, and Wm. Wrigley Jr. Company, a corporation organized under the laws of the State of West Virginia and doing business in the City of Chicago, State of Illinois, Party of the Second Part:—

—Witnesseth—

First:—Party of the First Part proposes to undertake to design and build a machine to wrap Wrigley's Spearmint Pepsin Gum and other brands in the same general style as wrapped by machines now being furnished Party of the Second Part, except that each five (5) sticks will be wrapped and sealed in paraffine paper before and when the band is applied. Party of the First Part is to be paid at the rate of Twenty Dollars ($20.00) per day not exceeding One Hundred (100) days for such time as he actually devotes to designing and perfecting the new features of said machine, that is, the features for applying and sealing the above said wax paper.

Second:—Party of the First Part is to pay the cost of building the machine, machine work, pattern work, necessary tools, jigs, etc., and if this machine performs the above work in a manner satisfactory to the Party of the Second Part, Party of the Second Part agrees to pay Party of the First Part, Twenty-five Hundred Dollars ($25,000.00) therefore, and to give the Party of the First Part an order for Twenty (20) in addition; such machines to be built as soon there-
7917 after as Party of the First Party can construct same in lots of ten (10).

Third:—The price of said Twenty (20) machines, and all additional similar machines ordered, to be Twenty-Five Hundred Dollars ($2500.00) each; Thirty (30) days net, F. O. B. elevator 617 W. Jackson Blvd., Chicago.

Fourth:—Part of the First Part agrees in consideration of the execution of this agreement, to transfer to Party of the Second Part, after delivery and payment of first lot of ten (10) machines, all patents allowed and pending on Wrigley's

Spearminet Pepsin Gum wrapping machines as built under contract of October 15th, 1910, with the Zeno Manufacturing Company, it being understood that the transfer of patents gives Party of the Second Part no right whatever to build such machines except as hereinafter specified, but is intended only to assure Party of the Second Part that infringing machines will not be built for others for the purpose of wrapping Chewing gum.

Fifth:—In case of the death of the Party of the First Part, Party of the Second Part shall have the right to decide whether the successors of Party of the First Part are capable of building machines satisfactory to Party of the Second Part, and in case they should decide successors of Party of the First Part are not capable, then Party of the Second Part shall have the right to build such machines (as have been caused to be patented by Party of the First Part, and 7918 such patents transferred and assigned to Party of the Second Part,) by paying Five Hundred Dollars ($500.00) cash for each patented machine constructed by Second Party to the Estate of First Party.

Sixth:—In case said first machine should not perform the work in a satisfactory manner, Party of the First Part agrees to assign patents as provided in the first contract made with Zeno Manufacturing Company October 15th, 1910, Party of the Second Part agreeing to pay Party of the First Part a just and reasonable amount for actual expenses on said first machine, and Party of the Second Part further agrees to give Party of the First Part an order for ten (10) machines as now built, this in effect completing the first contract above referred to.

Seventh:—In the event of the transfer of patents to Party of Second Part as specified in either event as above, Party of Second Part agrees to convey to Party of First Part exclusive license to build under said patents, machines for wrapping any other product than Chewing Gum. In issuing said license, it is understood that Party of the Second Part assumes no liability as to the validity of said patents.

Eighth:—Party of the Second Part agrees to assume all risk of infringement by machines built by Party of the First Part for Party of the Second Part by reason of the features pertaining to applying and sealing the outer waxed paper embodied in the machine made by Party of the First Part for Party of the Second Part. Should Party of Second Part

decide new machine is an infringement, Party of the Second Party has the right at any time to cancel any order for
7919 machines, paying Party of the First Part all actual expenses incurred in converting said machines into regular type of machines.

Nineth:—Party of the First Part agrees to make such improvements as may be mutually agreed to on machines for each order received over the last completed machines, and should Party of the First Part be able to make any improvements, including those pertaining to sealing device, which are patentable, then Party of the First Part agrees to assign to Party of Second Part such patents, provided Party of the First Part has already assigned to Party of the Second Part the original patents as above stated. Party of the Second Part agrees to pay cost of obtaining same, it, however, being understood that Party of the First Part shall at all times have entire and exclusive right to use such patents, or any and all principles used in this machine in constructing machines for any other purpose than the Chewing Gum Industry.

Tenth:—The Party of the First Part agrees to execute applications for Letters patent in any and all foreign countries as the Second Party may designate, covering such patents and improvements as the First Party has made or may make relating to gum-wrapping machines as herein identified, and the rights of the respective Parties hereto and their respective interests to the foreign applications and Letters Patent that may issue therefrom shall be subject to the terms in conditions as embodied in Paragraph Nine.

7920 Signed this 24th day of October, 1912.

ALBERT M. PRICE (Signed)
WM. WRIGLEY JR. COMPANY.
By A. G. COX
Vice-Prest. (Signed)

7921 LARSON EX. 163.

Filed Jan 7-1925 John H. R. Jamar Clerk.

A. M. Price
Wm. Wrigley Jr. Co.
Aug. 5, 1915.

Memorandum of Agreement made this 5th day of August, 1915, by and between Albert M. Price of Elgin, Illinois, party of the first part, and Wm. Wrigley Jr. Company, a Corporation organized under the laws of the State of West Virginia, and doing business in the City of Chicago, Illinois, party of the second part:—

Witnesseth—

First:—Party of the first part proposes to undertake to design and build a machine to wrap Wrigley's Spearmint Pepsin Gum and other brands, in the same general style as now wrapped by machines furnished party of the second part by party of the first part, under contract of October 24th, 1912, copy of same attached hereto, with the following exceptions:—

1st:—In the first wrapping of each individual stick, paraffine paper only will be applied, and the end folds will be folded down on the same side of the stick as the longitudinal folds.

2nd:—Around this first wrapping of paraffine paper, a band shall be applied and its ends secured by adhesive in a manner similae to the general practice in wrapping vending machine single stick gum.

The width of web to be used for the above mentioned paraffine paper shall be as may best suit the convenience of the party of the first part, not to exceed four inches in width, and the running length to be cut from said web for an individual wrapper shall be approximately the same as now used in the Spearmint package. The above mentioned band
7922 shall be approximately 2-1/2 x 2-3/4", but either of these dimensions may be varied, if the party of the first part so desires, in order to increase the quantity or quality of the output of the machines.

Party of the first part also agrees to make all reasonable effort to so construct these machines as to handle a web of wax paper backed foil in place of the web of plain wax paper

and also so that the self sealing wax paper can be entirely omitted from the packages.

It is understood that the party of the second part will co-operate with the party of the first part to secure a paper for use in these bands which can be separated and fed at a speed approximating that being now used with the pink Spearmint labels.

Second:—If the machine performs the above work in a manner satisfactory to the party of the second part, party of the second part agrees to pay to party of the first part twenty-seven hundred and fifty dollars ($2750.00) therefor, and to give party of the first part an order for ten machines in addition; such machines to be built as soon thereafter as party of the first part can construct same.

Third:—The price of said ten machines, and all additional similar machines ordered to be twenty-seven hundred and fifty dollars each ($2750.00), thirty days net, F. o. b. elevator at the place of business of party of the first part in Chicago, or freight paid to Chicago, as party of the first part may elect.

Fourth:—Party of the first part agrees to execute 7923 applications for Letters Patent in the United States, and also in any and all foreign countries as the second party may designate, covering the new features of this machine, as described in paragraph one. Party of the first part agrees to assign to party of the second part such patents, and party of the second part agrees to pay the cost of obtaining same, and to convey to party of the first part, exclusive right to build and use under said patents, machines for wrapping any other product than chewing gum. In issuing said license, it is understood that party of the second part assumes no liability as to the validity of said patents. It is understood that the transfer of said patents gives party of the second part no right whatever to build such machines, except as hereinafter specified, but is intended only to assure party of the second part that infringing machines will not be built for others for the purpose of wrapping chewing gum.

Five:—Party of the second part agrees to assume all risk of infringement by machines built by party of the first part for party of the second part, by reason of mechanisms pertaining to the new features embodied in the machine, as described in paragraph one. Should party of the second part decide new machine is an infringement, party of the second part has the right at any time to cancel any order for ma-

chines, paying party of the first part for all expense incurred in converting said machines into machines of the type now generally used by party of the second part.

Six:—Paragraph five, or the agreement of October
7924 24th, 1912, between the parties hereto, shall apply to this agreement, except that the cash payment, as specified, shall read "five hundred and fifty dollars ($550.00)" in place of Five Hundred dollars ($500.00)

Signed this 5th day of August, 1915.

(Signed) ALBERT M. PRICE.
WM. WRIGLEY JR. COMPANY
(Signed) By A. G. COX,
Vice President

7925 Copy

Memorandum of Agreement made this 24th day of October, 1912, by and between Albert M. Price, Chicago, Illinois, Party of the First Part, and Wm. Wrigley Jr. Company, a corporation organized under the laws of the State of West Virginia and doing business in the City of Chicago, State of Illinois, Party of the Second part:—

—Witnesseth—

First:—Party of the First Part proposes to undertake to design and build a machine to wrap Wrigley's Spearmint Pepsin Gum and other brands in the same general style as wrapped by machines now being furnished Party of the Second Part, except that each five (5) sticks will be wrapped and sealed in paraffine paper before and when the band is applied. Party of the First Part is to be paid at the rate of Twenty Dollars ($20.00) per day not exceeding One Hundred (100) days for such time as he actually devotes to designing and perfecting the new features of said machine, that is, the features for applying and sealing the above said waxed paper.

Second:—Party of the First Part is to pay the cost of building the machine, Machine work, pattern work, necessary tools, jigs, etc., and if this machine performs the above work in a manner satisfactory to the Party of the Second Part, Party of the Second Part agrees to pay party of the First Part, Twenty-five Hundred Dollars ($2500.00) therefor, and to give Party of the First Part an order for Twenty (20) in addition; such machines to be built as soon thereafter
7926 as Party of the First Part can construct same in lots of ten (10).

Third:—The price of said Twenty (20) machines, and

all additional similar machines ordered, to be Twenty-five Hundred Dollars ($2500.00) each; Thirty (30) days net F. O. B. elevator 617 W. Jackson Blvd., Chicago.

Fourth:—Party of the First Part agrees in consideration of the execution of the agreement, to transfer to Party of the Second Part, after delivery and payment of first lot of ten (10) machines, all patents allowed and pending on Wrigley's Spearmint Pepsin Gum wrapping machines as built under contract of October 15th, 1910, with the Zeno Manufacturing Company, it being understood that the transfer of patents gives Party of the Second Part no right whatever to build such machines except as hereinafter specified, but is intended only to assure Party of the Second Part that infringing machines will not be built for others for the purpose of wrapping chewing gum.

Fifth:—In case of the death of the Party of the First Part, Party of the Second Part shall have the right to decide whether the successors of Party of the First Part are capable of building machines satisfactory to Party of the Second Part, and in case they should decide successors of Party of the First Part are not capable, then Party of the Second Part shall have the right to build such machines (as have been caused to be patented by Party of the First Part, and such patents transferred and assigned to Party of the Second Part), by paying Five Hundred Dollars ($500.00) cash for each patented machine constructed by Second Party 7927 to the Estate of First Party.

Sixth:—In case said first machine should not perform the work in a satisfactory manner, Party of the First Part agrees to assign patents as provided in the first contract made with the Zeno Manufacturing Company October 15th, 1910, Party of the Second Part agreeing to pay Party of the First Part a just and reasonable amount for actual expenses on said first machine, and Party of the Second Part further agrees to give Party of the First Part an order for ten (10) machines as now built, this in effect completing the first contract above referred to.

Seventh:—In the event of the transfer of patents to Party of Second Part as specified in either event as above, Party of Second Part agrees to convey to Party of First Part exclusive license to build under said patents, machines for wrapping any other product than Chewing gum. In issuing said license, it is understood that Party of Second Part assumes no liability as to the validity of said patents.

Eighth:—Party of the Second Part agrees to assume all risk of infringement by machines built by Party of the First Part for Party of the Second Part by reason of the features pertaining to applying and sealing the outer waxed paper embodied in the machine made by Party of the First Part for Party of the Second Part. Should Party of the Second Part decide new machine is an infringement, Party of the Second Part has the right at any time to cancel any order for machines, paying Party of the First Part all expenses incurred in converting said machines into regular type of machines.

7928 Ninth:—Party of the First Part agrees to make such improvements as may be mutually agreed to on machines for each order received over the last completed machine, and should Party of the First Part be able to make any improvements, including those pertaining to sealing device, which are patentable, then Party of the First Part agrees to assign to Party of Second Part such patents provided Party of the First Part has already assigned to Party of the Second Part the original Patents as above stated. Party of the Second Part agrees to pay cost of obtaining same, it, however, being understood that Party of the First Part shall at all times have entire and exclusive right to use such patents, or any and all principles used in this machine in constructing machines for any other purpose than the Chewing Gum industry.

Tenth:—The Party of the First Part agrees to execute applications for Letters Patent in any and all foreign countries as the Second Party may designate, covering such patents and improvements as the First Party has made or may make relating to gum-wrapping machines as herein identified, and the rights of the respective Parties hereto and their respective interests to the foreign applications and Letters Patent that may issue therefrom shall be subject to the terms and conditions as embodied in Paragraph Nine.

Signed this 24th day of October, 1912.

(Signed) ALBERT M. PRICE.
(Signed) WM. WRIGLEY JR. COMPANY
By A. G. COX—
Vice Pres't.

7929 LARSON EX. 164.

Filed Jan 7-1925 John H. R. Jamar Clerk.

A. M. Price
Wm. Wrigley Jr. Co.
July 18, 1916.

Memorandum of Agreement made this 18th day of July, 1916, by and between Albert M. Price of Elgin, Illinois, party of the first part, and Wm. Wrigley, Jr. Company, a corporation organized under the laws of the State of West Virginia, and doing business in the City of Chicago, Illinois, party of the second part:—

—Witnesseth—

Whereas, the first and second parties have heretofore entered into certain agreements relating to the manufacture of chewing-gum wrapping machines invented by the first party and concerning which Letters Patent and applications for Letters Patent have been procured and filed in the United States and foreign countries, and further applications are about to be filed by the first party; and,

Whereas, the rights of the respective parties relative to interest and title to said Letters Patent and applications are defined and set forth in the following Agreements, to-wit: Agreement dated October 15th, 1910, beween first party and Zeno Mfg. Co. and the liability of the Zeno Mfg. Co. thereunder having been assumed by the second party hereto; Agreement dated October 24th, 1912, between the parties hereto; Agreement dated October 24th, 1912, between the parties hereto; Agreement dated August 5th, 1915, between the parties hereto; and,

Whereas, the first party desires to devote his time to work other than the actual building of such machines and the second party desires to manufacture the same for its own uses and sale;

Now, Therefore, in consideration of the sum of One Dollar ($1.) in hand paid by the second party to the first party,
7930 and other good and valuable considerations moving between them, it is hereby mutually agreed as follows:

1st. Party of the first part will furnish to party of the second part, at cost of having same printed, as many sets of detail blue prints of the parts of said machines as party of

the second part may desire. In furnishing such blue prints, party of the first part does not undertake to guarantee their accuracy or completeness in every detail, but will furnish blue prints as accurate and complete as those heretofore or now being used by party of the first part in building said machines, and will co-operate with party of the second part to a reasonable extent in an endeavor to furnish blue prints of still greater accuracy and completeness.

2nd. Party of the first part will loan to party of the second part, for their use, during the life of this agreement, all wood and metal patterns now being used by party of the first part in manufacturing said machines. Party of the first part does not guarantee the accuracy of these patterns beyond the point that he has found them to fulfill the requirements of the first party in manufacturing said machines.

3rd. Party of the second part shall have the privilege of making such minor alterations in said patterns as they may desire, to make them conform with their ideas of manufacturing, and should this agreement be terminated as hereinafter provided for, to return said patterns to party of the first part in as good condition as when received, ordinary wear from usage excepted.

7931 4th. Party of the first part agrees to loan to party of the second part for their use during the life of this agreement, all special jigs, fixtures and special small tools heretofore used by him in manufacturing said machines, but does not guarantee the quality, condition, accuracy, or completeness of the equipment of said jigs, fixtures, and small tools, beyond the point that the first party has found them to fulfill his requirements in manufacturing said machines.

5th. Party of the second part agrees to keep in repair said special jigs, fixtures and small tools and may make such alterations as they may from time to time deem necessary, and should this agreement be terminated, to return them to party of the first part in as good condition as when received, ordinary wear excepted.

6th. Should party of the first part desire to use any of the property specified in the second and fourth articles for purposes within his rights, he may do so by arranging with party of the second part as to the time of such use so as not to interfere with the conduct of their business.

7th. Party of the second part agrees to pay to party of the first part one-half of the profit realized in manufactur-

ing said machines, profit to be ascertained as hereinafter specified.

(a) The cost to party of the second part of the manufacturing of said machines is agreed to consist of the following items:

7932 Labor employed in building said machines; materials entering into the construction of said machines; rental for space occupied by special department organized to manufacture said machines; interest at 5% on book value of machinery, tools, and other equipment in said department; labor and materials in changing and keeping in repair patterns, special tools, jigs, fixtures; liability insurance and fire insurance; interest at 5% per annum for any amount in excess of $10,000, used by party of second part as working capital in manufacturing said machines; supervising employees and reasonable clerk hire in said department; a reasonable allowance of clerk hire otherwise employed by party of the second part, but whose time may be required in connection with said department; depreciation of 10% per annum on the depreciated value of machinery and equipment of said department; cost of upkeep of said machinery and equipment. No charge shall be made by party of second part as an item of cost to them in manufacturing said machines; for the services of any officer of the company (Wm. Wrigley, Jr. Company), their Superintendent or Assistant Superintendent, or any Department Foreman, where the rendering of such service does not necessitate an increase in the number of their employees, as required in the regular conduct of their business.

(b) The value of said machines, when manufactured, shall be $2,500.00 for Spearmint sealed package machines, (Type K. L.), $2,750.00 for Spearmint export package machines (Type K. L. M.) and $2,500.00 for Juicy Fruit machines, without wax sealing feature, to be known as Type K. M.

7933 Should other models be manufactured by party of the second part under any patent or patents mentioned herein or under any future patent which may be issued to party of first part on wrapping machines, value of such models is to be arrived at by agreement between the parties hereto, such value to be based jointly on the relative value of the new model to the party of the second part, and the intricacies of the mechanism employed, as compared to the above mentioned models. Should the parties hereto be unable

to agree on the value of such new models, then such value shall be determined by arbitration, one arbiter to be selected by each of the parties hereto, and the two thus chosen to select the third. Such arbiters are to be restricted to a finding arrived at by comparison, as specified above, and from no other standpoint.

(c) Profits shall consist of value, as specified in "b", less cost, as specified in "a".

8th. Party of the second part agrees to install an efficient time keeping and cost system in said department which shall be open to examination by party of the first part, that the two parties hereto may harmoniously co-operate, to the end of building good and efficient machines at a minimum cost, and the two parties hereto hereby agree to so co-operate, it being understood, however, that the party of the first part does not obligate himself to devote himself to this work at any specified time, or for any specified period, but has the privilege of so doing should he so desire and to receive no salary for voluntary services so rendered.

7934 9th. This agreement shall be binding on the parties hereto in connection with any foreign patents now issued, or to be issued to party of the first part, covering substantially any or all the same inventions as covered by any or all U. S. patents herein referred to.

10th. The share of the profits to be paid by party of the second part to party of the first part shall become due on or before thirty days after completion of each machine manufactured by party of the second part, but should party of the second part at any time be unable to determine the profit of any specified machine within thirty days after is compleion, because the cost of such machine is involved with the cost of other machines not yet completed, then they shall pay party of the first part a sum which is, in their best judgment, equal to forty percent (40%) of the profit on such machine, the adjustment of such profit to be made with party of first part, as soon as the amount thereof can be ascertained.

11th. Should the parties hereto enter into a future agreement or agreements whereby party of first part is to design new or revised models of wrapping machines, for the exclusive use by party of the second part in the chewing gum business, it is hereby agreed that the following stipulations shall be incorporated in such agreement or agreements, (a) Should such machine be satisfactory to party of second part, party

of first part shall at his own expense furnish the de-
7935 signs, tracings, blue prints and foundry patterns, provided party of second part build at least ten (10) such machines within two (2) years. (b) should such machine prove unsatisfactory to party of second part, or should they fail to build ten (10) such machines within two (2) years,—then party of second part shall repay party of first part for his time at $25.00 per day and other items of expense at cost.

12th. Should party of second part desire to devise and incorporate additional features in any machines they build under this agreement, they may do so, but they shall not add the cost of such features to the "cost" of such machines or change the "value" price of such machines because of such additional features.

13th. After a thorough trial under the terms of this agreement, should party of the first part be dissatisfied with his share of the profits from manufacture, and should the two parties hereto be unable to agree on a policy adapted to reduce cost of manufacture, and thereby increase the profits, then party of the first part may, at his option, terminate this agreement by taking over from party of the second part at cost, the investment of party of the second part in materials and wrapping machine parts, finished and unfinished, the purchase by party of first part of such finished and unfinished parts being contingent upon party of the second part giving to party of the second part, at the time, orders for sufficient wrapping machines to consume said finished and unfinished parts.

7936 In event of the termination by party of the first part, of this agreement, party of the second part may, at their option, require party of the first part to purchase from them at book value the investment of party of second party in machinery, tools and fixtures pertaining to the manufacture of these machines, and may also require party of the first part to furnish them wrapping machines at prices herein provided and in quantity per annum, one-third in excess of their average yearly requirements in new machines for the previous two years.

14th. The terms of this agreement shall be binding on the successors, heirs or assigns of the parties hereto, provided, however, that in case this agreement is in effect at the time of the death of party of the first part or is assigned by party of the first part, it shall thereafter remain in effect

until it expires by limitation, provided the profit sharing payments made to the estate or assigns of the party of the first part as herein provided, are equal to or greater than 20% of the machine values as herein provided, and in case said payments from "profit" do not equal 20% of the machine "values" then party of the second part can keep this agreement in effect by paying the difference in cash to the estate or assigns of party of the first part.

15th. This agreement shall remain in effect unless otherwise terminated as herein provided until the expiration of patent No. 1,185,822 dated June 6, 1916, issued to party of the first part, and at the expiration of such patent the second party shall have the right to continue this agreement for a like period of seventeen (17) years upon written 7937 notice to the first party his heirs or assigns on or before one year prior to the date of expiration of this agreement.

(Signed) ALBERT M. PRICE
Party of first part.

Witnesses:
(Signed) E. A. WOOD

WM. WRIGLEY COMPANY
By J. C. COX *Treasurer*
Party of second part.

Attest:
W. H. STANLEY
Secretary.

7939 LARSON EXHIBIT No. 167

TIME SPENT IN PREPARING DETAILS OF REVISED AMOUNTS TO BE DEBITED TO -DOUBLEMINT-

Name	Date	Hours
R. E. Sidler –	July 13, 1922 to January 29, 1923.	941
J. H. Middleton –	Feb. 1, 1922 to June 3, 1922	848
Rose Jacobson –	Feb. 13, 1922 to April 8, 1922 – July 29, 1922 to August 19, 1922.	568
Stella Jankow –	Feb. 9, 1922 to Feb. 25, 1922.	120
Helen Peterson –	March 3, 1922 to March 23, 1922.	144
Helen Osmund –	July 27, 1922 to Nov. 18, 1922.	718½
W. S. Deeming –	June 16, 1922 to Nov. 18, 1922.	952
C. S. Rouzer –	July 15, 1922 to July 22, 1922.	63½
	Total Hours –	4,355

Filed
Jan 7—1925
At....o'clock..M.
John H. R. Jamar
Clerk

LARSON EXHIBIT 168

STATEMENT RECONCILING THE FIGURES RELATING TO ADVERTISING AS SHOWN BY OUR RECORDS WITH THE ADVERTISING FIGURES SHOWN BY TOUCHE NEVIN & COMPANY ON PAGE 5, AND EXHIBITS "C" AND "O"

Line No.	Col. 1	Col. 2 Aug. 1 to Dec. 31, 1914	Col. 3 1915	Col. 4 1916	Col. 5 1917	Col. 6 Jan. 1, to Nov. 12, 1918	Col. 7 Total
1	Newspapers and Magazines	$ 244,110.57	$ 360,837.03	$ 325,564.20	$ 327,905.83	$ 239,162.00	$1,587,579.63
2	Billposting	105,910.44	263,765.23	207,312.47	258,646.06	315,876.13	1,151,510.33
3	Walls, Bulletins & Electric Signs	160,187.35	308,044.37	238,409.56	177,247.31	80,636.16	964,524.75
4	Street Cars	127,056.70	311,315.71	319,121.82	346,491.63	313,021.11	1,417,006.97
5	Miscellaneous	35,624.74	82,975.88	75,170.66	128,314.84	172,082.84	494,168.96
6	Advertising Allowances to Jobbers	170,695.24	103,284.73	160,435.30	12,651.59	7,657.75	454,724.61
7	D. M. Cards Redeemed and Samples		78,281.14	71,874.06	*2,611.01*		147,544.19
8	Foreign Advertising			9,350.63	16,566.81	2,283.29	28,200.73
9	Advertising included in Agency Acct.	2,213.48					2,213.48
10	Advertising Matter	22,031.32	92,651.08	136,597.89	97,832.55	52,560.58	401,673.42
11	Detail Men	22,717.80	103,148.57	131,591.03	146,979.33	46,010.38	450,447.11
12	Revenue Rebate Gum Certificates	65.12	109,731.87	223,765.77	43,982.38	3,035.31	380,580.45
13		$ 890,612.76	$1,814,035.61	$1,899,193.39	$1,554,007.32	$1,322,325.55	$7,480,174.63
	Deductions:						
14	Office Stationery included in Advertising Matter	10,054.10	29,897.00	90,709.61	56,414.62	8,413.84	195,489.17
15	Miscellaneous included in Advertising	305.78	1,119.92	1,105.34	819.00	1,078.70	4,428.74
16	Trade Discount included in Advg.	28,672.95	108,206.79	130,783.90	13,054.42		280,718.06
17	Printing U. P. S. Coupons included in Advertising Account	1,423.06	929.60				2,352.66
18	Donations included in Advertising	780.00	8,348.00	29,131.35	80,085.02	135,179.07	253,523.44
19		$ 41,235.89	$ 148,501.31	$ 251,730.20	$ 150,373.06	$ 144,671.61	$ 736,512.07
20	TOTAL—Line 19 from Line 13	$ 849,376.78	$1,665,534.30	$1,647,463.19	$1,403,634.26	$1,177,653.94	$6,743,662.56

Larson Exhibit No. 168.

7942 LARSON EXHIBIT 169.

Barbieri & Dellenbarger Co.
Engineering, Designing and Machinery Construction.
767 Clybourne Ave.

Chicago Apr. 7, 1909

Zeno Mfg. Co.,
Chicago, Ill.,
Gentlemen:—

As per our verbal agreement of Apr. 6th. inst., we will sell and assign all of the present patents, rights and claims protecting all and any inventions, which we have made or may make, of any part and all of the chewing gum sheet rolling machine, which we have designed and constructed, and upon the design and construction we are now engaged, and of which you purchased one machine in 1907-8, and another Apr. 6, inst., and any inventions which we may make in any further work in connection with this particular machine in the future, all for the sum of $5000.00; providing, that, such purchase shall be concluded by your acceptance of this proposition on or before April 16, 1909.

BARBIERI & DELLENBARGER CO.,
by C. E. DELLENBERGER
Treas.
CAESAR BARBIERI
Pres.
.....
Secy.

C. E. DELLENBARGER

7943 LARSON EXHIBIT 170.

Barbieri & Dellenbarger Co.
Engineering, Designing and Machinery Construction.
767 Clybourne Ave.
New No. 2267-69 Clybourne Ave.

Chicago, July 9, 1910.

Zeno Mfg. Co.,
City,
Gentlemen;

We enclose herewith bill of our attorney, Mr. Carpenter, for the balance due him on account of the general work in prosecution of patents covering our chewing gum machine and the processes involved therein, and the charges for preparation and filing of the equivalent applications covering the same in the Dominion of Canada. U. S. patents which have been allowed are Serial numbers 427, 402 and 513,563. Remittance upon this bill please make direct to Mr. Carpenter. We understand that all papers covering the Canada work are prepared and ready to forward and the time in which I understand the filing to be necessary has nearly expired.

This bill is sent to you in accordance with the agreement that you are to take care of same, understanding that if you pay us the further sum of five thousand dollars in accordance with our and your agreement and option of Nov. 26, 1909, we are to transfer to you both the U. S. and the Canadian patents without any additional sum for the Canadian patents, issued on the above; otherwise you are to have no rights under either the U. S. or the Canadian applications or patents.

Yours Truly,
BARBIERI & DELLENBARGER CO.,
C. E. DELLENBARGER
Pres. & Treas.

7944 LARSON EXHIBIT 171.

Barbieri & Dellenbarger Co.
Engineering, Designing
and Machinery Construction.
767 Clybourne Ave.
New No. 2267-69 Clybourne Ave.

Chicago, July 13, 1910.

Zeno Mfg. Co.,
City,
Gentlemen:—

Yours of the 12th. regarding our letter of the 9th inst at hand. We return the letter which we wrote you upon the 9th. and in explanation of same wish to say that we had no desire to limit your rights to use any machines you have purchased from us or any which you may at any time in the future purchase from us, and you are to have the right to use or in any manner you wish dispose of such machines whether you "exercise our option dated Nov. 26th, 1909" or not. We trust this explanation or qualification will be sufficient to clear up the question.

Yours truly,
BARBIERI & DELLENBARGER CO.
C. E. DELLENBARGER
Pres. & Treas.

7945 LARSON EXHIBIT 172.

Barbieri & Dellenbarger Co.
Engineering, Designing
and Machinery Construction.
767 Clybourne Ave.
New No. 2267-69 Clybourne Ave.

Chicago, Aug. 19, 1910.

Zeno Manufacturing Co.,
Chicago, Ill.,

Gentlemen;

We hereby propose and agree to make for you a Chewing Gum Rolling Machine, to be a duplicate of the machine lately made for you under our agreement of Nov. 26, 1909, and delivered and billed under date of May 28, 1910; this machine to include all called for under our late above mentioned agreement, and in addition a sheet brushing mechanism as later made and added to the machine July 6, 1910; for the sum of fifty-two hundred dollars ($5200.00).

We also agree to incorporate in the construction any improvements in the design which may be applied in and tested upon any of the machines we have previously made for you during the period that the machine covered by this agreement is under construction, if the changes do not involve discarding work really begun or finished to cause loss. We also agree to make without extra charge a sugar carrying and elevating mechanism for filling sugar magazines, provided, that you shall have the same designed and applied to one of the former machines under a separate order or agreement, but not to include a sifting or belting machine, which shall be considered a separate machine to be furnished by you.

We agree to begin work and preparation at once and assemble all needed material without delay, so that in case of
an emergency, we shall complete and deliver the ma-
7946 chine in the shortest possible time. Without an emergency demand, delivery may be made during the month of January, 1911. Delivery shall be considered complete when machine is shown in full working order, and delivered to any place within Chicago that you may direct.

We ask that we have advanced to us as part payment of this machine the sum of Two Thousand Dollars, to be paid

in monthly installments of Five Hundred Dollars on or about the 20th. of each month beginning with the present month of August, and the remainder due us to be paid upon delivery as herein agreed.

If emergency demands we can shorten stated delivery time materially.

BARBIERI & DELLENBARGER Co.,
by C. E. DELLENBARGER
Pres.

Accepted
ZENO MANUFACTURINNG Co.
A. G. Cox
General Manager.

7947 LARSON EXHIBIT No. 173.

HAULING STOCK, EQUIPMENT, ETC. FROM OLD TO NEW PLANT

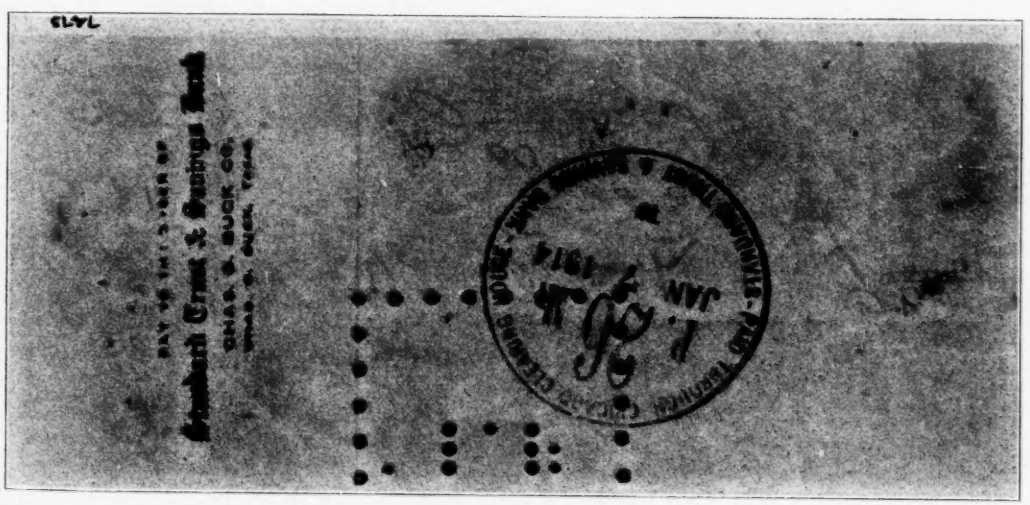
1918				
Sept. 23	1	William C. Killian	$	67.50
23	2	"		67.50
30	3	"		127.50
Oct. 5	4	"		60.00
12	5	"		40.00
26	6	"		37.50
Nov. 4	7	"		105.00
11	8	"		80.00
18	9	"		30.00
25	10	"		35.00
28	11	"		22.50
Dec. 9	12	"		75.00
16	13	"		52.50
23	14	"		75.00
28	15	"		90.00
1919				
Jan. 6	16	"		112.50
13	17	"		140.00
20	18	"		202.50
27	19	"		82.50
Feb. 10	20	"		10.00
1918				
Sept. 12	21	Joseph C. Cella		10.00
28	22	"		20.00
Oct. 5	23	"		50.00
11	24	"		40.00
26	25	"		10.00
Nov. 2	26	"		60.00
9	27	"		10.00
16	28	"		30.00
23	29	"		20.00
Dec. 7	30	"		20.00
28	31	"		20.00
1919				
Jan. 4	32	"		60.00
4	33	"		20.00
11	34	"		90.00
18	35	"		90.00
24	36	"		40.00
Feb. 1	37	"		61.50
8	38	"		50.00
1918				
Nov. 23	39	Henry Bowden		61.00

1919				
Jan.	13	40	A. G. O'Brien	420.00
	27	41	Forest Box & Lbr. Co	40.00
	15	42	O. S. Richards Corp	25.00
	28	43	Chas. Maronna & Co	80.00
7948				
1918				
Nov.	22	44	Chas. A. Meyers Contracting Co.	$ 10.00
Sept.	25	45	Motor Transportation Co.	36.00
	27	46	"	108.00
	27	47	"	48.00
	30	48	"	48.00
Oct.	1	49	"	48.00
Dec.	7	50	"	54.00
Sept.	26	51	Bush Terminal Co.	93.37
	26	52	"	92.58
Oct.	3	53	"	110.86
	3	54	American Express Co.	6.34
	3	55	"	1.22
			Dismantling machinery, equipment, & fixtures at old plant and re-installing same at new plant.	
			Millright Work.	
Dec.	3	56	New York Millright Co. Inc.	423.27
	8	57	"	369.00
	31	58	"	192.77
	31	59	"	670.00
1919				
Jan.	14	60	"	969.63
	17	61	"	1100.00
	23	62	"	2622.90
	23	63	"	187.80
			Air Conditioning Plant.	
1918				
Nov.	19	64	Carrier Engineering Corp.	966.87
Dec.	17	65	"	781.61
1919				
Jan.	14	66	"	1058.42
Feb.	12	67	"	3128.61
Mar.	12	68	"	507.67
Apr.	10	69	"	1471.59
				$ 17947.01
			Conveyor Syetem	
1919				
Jan.	4	70	Standard Conveyor Co.	961.59
Jan.	25	71	"	517.84

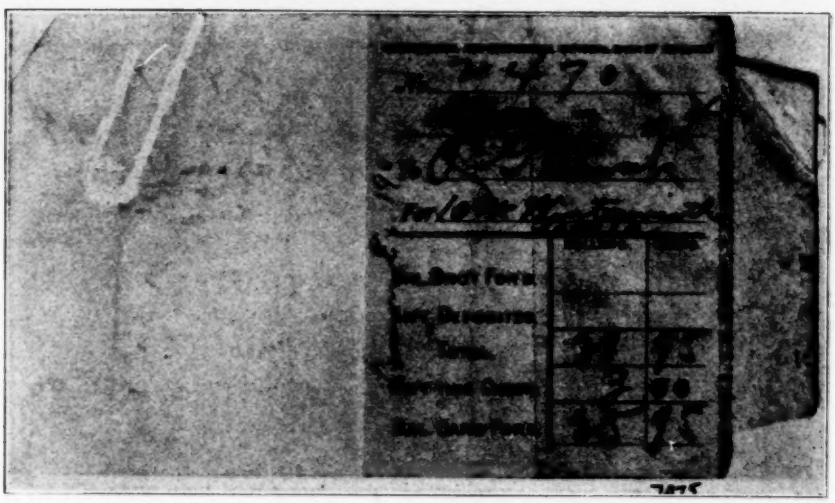
		Refrigerating Plant:	
1918			
Nov. 25	72	Shipley Construction & Supply Co.	104.10
29	73	"	12.75
Dec. 3	74	"	1750.00
		Poultry Netting to reinstall Coupon Enclosure:	
Nov. 30	75	Thomas W. Kiley & Co.	23.50
		Miscellaneous Hardware for General Use in re-installation:	
Dec.	76	Jos. Lezoli	36.10
1919			
Jan.	77	" "	7.20
		Re-installation of Motor Bases:	
1918			
Nov. 23	78	W. G. Creamer & Co.	112.26
		Welding Shaft extensions on Motors:	
Sept. 30	79	Oxweld Acetylene Co.	43.50
7949		Belting:	
Dec. 27	80	Laurence Belting Co.	$275.93
1919			
Jan. 3	81	" " "	88.87
9	82	" " "	14.08
13	83	" " "	15.89
15	84	" " "	50.73
		(See Credit for Old Motors)	
1918			
Aug. 31	85	Crocker–Wheeler Co.	2218.00
31	86	"	782.00
31	87	"	602.00
Sept. 13	88	"	299.20
13	89	"	373.00
25	90	"	856.00
Nov. 25	91	"	369.27
Sept. 13	92	General Electric Co.	156.60
Oct. 1	93	"	1898.10
		Starters:	
Feb. 11	94	Cutler-Hammer Mfg. Co.	721.50
		Start & Stop Tim-off panel:	
Feb. 13	95	Lamson Company	209.00
		Pneumatic Tube System:	
Feb. 27	96	Lamson Company	1119.00

			Painting interior of new Plant:	
Nov.	22	97	Adams & Elting Co.	532.14
	26	98	" "	109.15
	30	99	" "	601.47
Dec.	5	100	" "	121.37
	12	101	" "	228.98
	20	102	" "	321.08
	23	103	" "	23.32
	30	104	" "	98.70
1919				
Jan.	2	105	" "	17.88
	8	106	" "	113.83
	11	107	" "	330.99
	14	108	" "	115.61
	21	109	" "	98.94
			Cleaning up at old plant after removal:	
Feb.	28	110	Bush Terminal Co.	37.65
	28	111	"	1125.70
			Haul and Elevator Service at old plant while moving:	
Jan.	31	112	Bush Terminal Bldgs. Co.	28.99
			Gravity System from Sugar Mills to Mixing Machines at old plant which was replaced by elevators at new plant:	
		113	Cost of Gravity System and installation, work done by New York Millright Co.	280.00
			Installation of heating and Electricity especially required for our manufacturing processes:	
			Heating:	
		114	Gillis & Geoghegan	2981.63
7950			Electricity:	
		115	Comstock Associate Co., Inc.	12,596.76
				$51,330.21

LARSON EXHIBIT NO. 189



LARSON EXHIBIT NO. 190



7951 LARSON EX. 191.

Offered, not admitted.

Filed Jan 7-1925 John H. R. Jamar Clerk

(Letterhead of Parkinson & Lane, Marquette Building, Chicago.)

Oct. 8, 1918.

Wm. Wrigley Jr. Company *vs.* L. P. Larson Jr. Company:
No. 488

Chas. H. Aldrich, Esq.,
#209 S. LaSalle St.,
Chicago.

Dear Mr. Aldrich:

Enclosed find two forms of decree in the above-mentioned case, one of which is marked "Parkinson & Lane Suggested Form", which is the form we think it proper to be entered; the other is substantially your form, with modifications under discussion while you were here. It may be well to have a further conference if you have anything to suggest after looking these over.

Duplicate of this letter and enclosures is also sent to Mr. Reed.

Very truly yours,
PARKINSON & LANE

L-IVC
Encs.

7952 Parkinson & Lane Suggested Form

DISTRICT COURT OF THE UNITED STATES

Northern District of Illinois

Eastern Division

Wm. Wrigley Jr. Company, *Complainant,*
vs.
L. P. Larson Jr. Company, *Defendant and Counterclaimant.*
} No. 488.

DECREE.

The defendant and counterclaimant, L. P. Larson Jr. Company, having appealed to the United States Circuit Court of Appeals for the Seventh Circuit from the decree of this Court herein of the 14th of March, 1917, dismissing the said counterclaim for want of equity, and the complainant herein, Wm. Wrigley Jr. Company, having appealed from the decree of this Court of the same date, dismissing the bill of complaint for want of equity, and the said United States Circuit Court of Appeals having heard said appeals, adjudged and decreed that said decree dismissing the bill of the Wm. Wrigley Jr. Company was right and just and having reversed that part of the decree dismissing said counterclaim, with directions to enter an injunction and order an accounting, and the mandate of said Court to said effect having been issued and filed herein,

Now, Therefore, pursuant to said mandate, it appearing that the Exhibit No. 2, No. 3 and No. 4, hereto attached are, respectively, identical with complainant's exhibits of corresponding numbers attached to the bill, and that "Speci-
7953 men Complainant's Exhibit No. 3", hereto attached, is identical with an exhibit introduced at the trial of the case and before the Court of Appeals, representing complainant's Doublemint packages made and sold during the pendency of this suit, used to replace said first-mentioned Exhibit No. 3 which had disappeared before the hearing in

the District Court, it being then stated by complainant's counsel that the exhibit corresponded with the original Exhibit No. 3 except that the green wax paper covering at the ends of the wrappers had been added after the bill was filed, it is Ordered, Adjudged and Decreed:

First: That so much of the aforesaid decree as dismisses the said counterclaim be set aside and, in lieu thereof, it be, and hereby is, ordered, adjudged and decreed that Wm. Wrigley Jr. Company, complainant herein, its officers attorneys, servants and agents, be, and hereby are, enjoined and restrained (so long as L. P. Larson Jr. Company, counterclaimant herein, or its successors in business, shall continue to make or sell packages of gum substantially similar in material respects to the Larson Wintermint package, Exhibit No. 4, hereto attached) from putting up, selling or offering for sale, gum in packages corresponding to Complainant's Specimen Exhibit No. 3 aforesaid, or substantially identical thereto, in respect to any coloring, marking or printing, by which the said Larson Wintermint, Exhibit No. 4 of the bill of complaint is distinguished from said complainant's Spearmint package, Exhibit No. 2 of the bill of complaint, and from simulating or imitating in such respects the said Larson Wintermint package, Exhibit No. 4; it
7954 being understood that nothing herein shall prevent the said Wm. Wrigley Jr. Company from putting up, selling or offering for sale, packages having labels, wrappers, coloring or marking, substantially similar to the said Wrigley Spearmint packages in evidence as Exhibit No. 2; providing, also, that said Wm. Wrigley Jr. Company may have a period of ninety days from the entry of this decree before it is compelled to make changes in advertisements already out and such changes in its packages as necessary to conform to this decree, the injunction being to this extent suspended during such ninety days.

Second: That this cause be referred to Charles B. Morrison, one of the Masters of this Court, to take an account of all the gains and profits which have accrued to said Wm. Wrigley Jr. Company by reason of the commission of the acts hereinbefore enjoined, from and since the date of filing the counterclaim herein, including any such gains or profits as may be made by the commission of such acts during the before mentioned suspension of the injunction.

Third: That the said Master shall have the powers conferred by rule 62nd of the Supreme Court in Equity.

.....

Judge.

Exhibit No. 2 Exhibit No. 3

Exhibit No. 4 Specimen Complainant's Exh. No. 3.

7955 DISTRICT COURT OF THE UNITED STATES

Northern District of Illinois

Eastern Division

Wm. Wrigley Jr. Company, *Complainant,*
vs.
L. P. Larson Jr. Company, *Defendant and Counterclaimant.* } No. 488.

DECREE.

The defendant and counterclaimant, L. P. Larson Jr. Company, having appealed to the United States Circuit Court of Appeals for the Seventh Circuit from the decree of this Court herein of the 14th of March, 1917, dismissing the said counterclaim for want of equity, and the complainant herein, Wm. Wrigley Jr. Company, having appealed from the decree of this Court of the same date, dismissing the bill of complaint for want of equity, and the said United States Circuit Court of Appeals having heard said appeals and having reversed that part of the decree dismissing said counterclaim, with directions to enter an injunction and order an accounting, and the mandate of said Court to said effect having been issued and filed herein,

Now, Therefore, pursuant to said mandate, it is Ordered, Adjudged and Decreed:

First: That so much of the aforesaid decree as dismisses the said counterclaim be set aside and, in lieu, thereof, it be, and hereby is, ordered, adjudged and decreed that Wm.

Wrigley Jr. Company, complainant herein, its officers
7956 attorneys, servants and agents, be, and hereby are, enjoined and restrained, so long as L. P. Larson Jr. Company, counterclaimant herein, or its successors in business, shall continue to make or sell packages of gum substantially similar in material respects to the Larson Wintermint package, Exhibit No. 4 hereinafter mentioned, from putting up, selling or offering for sale, gum in packages corresponding to Complainant's Exhibit No. 3 of the bill of complaint (of which a duplicate is filed herewith so marked), or substantially identical thereto, in respect to any coloring, marking or printing, by which the said Larson Wintermint, Exhibit No. 4 of the bill of complaint (of which a duplicate is filed herewith marked "Exhibit No. 4"), is distinguished from complainant's Spearmint package, Exhibit No. 2 of the bill of complaint (of which a duplicate is filed herewith, marked "Exhibit No. 2"), and from simulating or imitating in such respects the said Larson Wintermint package, Exhibit No. 4; it being understood that nothing herein shall prevent the said Wrigley Jr. Company from putting up, selling or offering for sale, packages having labels, wrappers, coloring or marking, substantially similar to the said Wrigley Spearmint packages in evidence as Exhibit No. 2; providing, also, that said Wm. Wrigley Jr. Company may have a period of ninety days from the entry of this decree before it is compelled to make changes in advertisements already out and such changes in its packages as necessary to conform to this decree, the injunction being to this extent suspended during such ninety days.

Second: That this cause be referred to Charles B. Morrison, one of the Masters of this Court, to take an ac-
7957 count of all the gains and profits which have accrued to said Wm. Wrigley Jr. Company by reason of the commission of the acts hereinbefore enjoined, from and since the date of filing the counterclaim herein, including any such gains or profits as may be made by the commission of such acts during the before mentioned suspension of the injunction.

Third: That the said Master shall have the powers conferred by rule 62nd of the Supreme Court in Equity.

.....

Judge.

7958 LARSON EX. 192.

Offered, not admitted.
(Letterhead of Parkinson & Lane, Marquette Building, Chicago.)

Oct. 10, 1918.

Charles H. Aldrich, Esq.,
#209 S. LaSalle St.,
Chicago.
Dear Sir:

We send you enclosed copy of the decree in Wm. Wrigley Jr. Company *vs.* L. P. Larson Jr. Company as we submitted it to the Court, together with samples of the three exhibits attached thereto.

Very truly yours,
PARKINSON & LANE
(I. V. C.)

IVC
Enc.

7959 DISTRICT COURT OF THE UNITED STATES

Northern District of Illinois

Eastern Division

Wm. Wrigley Jr. Company, *Complainant,*
vs.
L. P. Larson Jr. Company, *Defendant and Counterclaimant.*
} No. 488.

DECREE.

The defendant and counterclaimant, L. P. Larson Jr. Company, having appealed to the United States Circuit Court of Appeals for the Seventh Circuit from the decree of this Court herein of the 14th of March, 1917, dismissing the said counterclaim for want of equity, and the complainant herein, Wm. Wrigley Jr. Company, having appealed from the decree of this Court of the same date, dismissing the bill of complaint for want of equity, and the said United States Circuit

Court of Appeals having heard said appeals, adjudged and decreed that said decree dismissing the bill of the Wm. Wrigley Jr. Company was right and just and having reversed that part of the decree dismissing said counterclaim, with directions to enter an injunction and order an accounting, and the mandate of said Court to said effect having been issued and filed herein,

Now, Therefore, pursuant to said mandate, it is Ordered, Adjudged and Decreed:

7960 First: That so much of the aforesaid decree as dismisses the said counterclaim be set aside and, in lieu thereof, it be, and hereby is, ordered, adjudged and decreed that Wm. Wrigley Jr. Company, complainant herein, its officers, attorneys, servants and agents, be, and hereby are, enjoined and restrained (so long as L. P. Larson Jr. Company, counter-claimant herein, or its successors in business, shall continue to make or sell packages of gum substantially similar in material respects to the Larson Wintermint package, Exhibit No. 4, hereto attached) from putting up, selling or offering for sale, gum in packages corresponding to Complainant's Specimen Exhibit No. 3 hereto attached, or substantially identical thereto, in respect to any coloring, marking or printing, by which the said Larson Wintermint, Exhibit No. 4 of the bill of complaint is distinguished from complainant's Spearmint package, Exhibit No. 2 of the bill of complaint, of which a duplicate is hereto attached; and from simulating or imitating in such respects the said Larson Wintermint package, Exhibit No. 4; it being understood that nothing herein shall prevent the said Wm. Wrigley Jr. Company from putting up, selling or offering for sale, packages having labels, wrappers, coloring or marking, substantially similar to the said Wrigley Spearmint packages, Exhibit No. 2; providing, also, that said Wm. Wrigley Jr. Company may have a period of ninety days from the entry of this decree before it is compelled to make changes in advertisements already out and such changes in its packages as necessary to conform to this decree, the injunction being to this extent suspended during such ninety days.

7961 Second: That this cause be referred to Charles B. Morrison, one of the Masters of this Court, to take an account of all the gains and profits which have accrued to said Wm. Wrigley Jr. Company by reason of the commission of the acts hereinbefore enjoined, from and since the date of filing the counterclaim herein, including any such gains or

profits as may be made by the commission of such acts during the before mentioned suspension of the injunction.

Third: That the said Master shall have the powers conferred by rule 62nd of the Supreme Court in Equity.

.....

Judge.

.....

Exhibit No. 2.

.....

Exhibit No. 4

.....

Specimen Complainant's Exh. No. 3.

7962 DISTRICT COURT OF THE UNITED STATES

Northern District of Illinois

Eastern Division.

Wm. Wrigley Jr. Company, *Complainant,*
vs.
L. P. Larson Jr. Company, *Defendant and Counterclaimant.*
} No. 488.

DECREE.

The defendant and counterclaimant, L. P. Larson Jr. company, having appealed to the United States Circuit Court of Appeals for the Seventh Circuit from the decree of this Court herein of the 14th of March, 1917, dismissing the said counterclaim for want of equity, and the complainant herein, Wm. Wrigley Jr. Company, having appealed from the decree of this Court of the same date, dismissing the bill of complain for want of equity, and the said United States Circuit Court of Appeals having hearing said appeals, adjudged and decreed that said decree dismissing the bill of the Wm. Wrigley Jr. Company was right and just and having reversed that part of the decree dismissing said counterclaim, with directions to enter an injunction and order an accounting, and the mandate of said Court to said effect having been issued and filed herein,

7963 Now, Therefore, pursuant to said mandate, it is Ordered, Adjudged and Decreed:

First: That so much of the aforesaid decree as dismisses the said counterclaim be set aside and, in lieu thereof, it be,

and hereby is, ordered, adjudged and decreed that Wm. Wrigley Jr. Company, complainant herein, its officers, attorneys, servants and agents be, and hereby are, enjoined and restrained (so long as L. P. Larson Jr. Company, counterclaimant herein, or its successors in business, shall continue to make or sell packages of gum substantially similar in material respects to the Larson Wintermint package, Exhibit No. 4, hereto attached) from putting up, selling or offering for sale, gum in packages corresponding to Complainant's Specimen Exhibit No. 3 hereto attached, or substantially identical thereto, in respect to any coloring, marking or printing, by which the said Larson Wintermint, Exhibit No. 4 of the bill of complaint is distinguished from complainant's Spearmint package, Exhibit No. 2 of the bill of complaint, of which a duplicate is hereto attached; and from simulating or imitating in such respects the said Larson Wintermint package, Exhibit No. 4; it being understood that nothing herein shall prevent the said Wm. Wrigley Jr. Company from putting up, selling or offering for sale, packages having labels, wrappers, coloring or marking, substantially similar to the said Wrigley Spearmint packages, Exhibit No. 2; providing, also that said Wm. Wrigley Jr. Com-
7964 pany may have a period of ninety days from the entry of this decree before it is compelled to make changes in advertisements already out, and such changes in its packages as necessary to conform to this decree, the injunction being to this extent suspended during such ninety days.

Second: That this cause be referred to Charles B. Morrison, one of the Masters of this Court, to take an account of all the gains and profits which have accrued to said Wm. Wrigley Jr. Company by reason of the commission of the acts hereinbefore enjoined, from and since the date of filing the counterclaim herein, including any such gains or profits as may be made by the commission of such acts during the before mentioned suspension of the injunction.

Third: That the said Master shall have the powers conferred by Rule 62nd of the Supreme Court in Equity.

.....

Judge.

.....

Exhibit No. 2.

.....

Exhibit No. 4.

.....

Specimen Complainant's Exh. No. 3.

7573

LARSON EXHIBIT No. 193.

SUMMARY OF UNITED PROFIT SHARING COUPONS ISSUED AND REDEEMED BY WM. WRIGLEY, JR. CO. DURING THE PERIOD FROM SEPTEMBER, 1914 TO FEBRUARY 28, 1923

	No. 1 Coupons (Wrappers)		No. 5 Coupons (1 in box for Dealer)		No. 20 Coupons		No. 25 Coupons		Total Coupons in terms of No. 1		
	Issued	Redeemed	Issued	Redeemed	Issued	Redemmed	Issued	Redeemed	Issued	Redeemed	Unredeemed
September 1, to December 31, 1914	101,846,769	1,291,767	5,006,281	116,953	—	—	—	—	126,878,174	1,876,532	125,001,642
% to number issued		*1.268*		*2.336*						*1.479*	*98.521*
Year to December 31, 1915	331,035,933	52,699,640	15,900,497	3,766,474	—	—	255,904	81,435	416,936,018	73,567,885	343,368,133
% to number issued		*15.920*		*23.688*				*31.822*		*17.645*	*82.355*
Total to December 31, 1915	432,882,702	53,991,407	20,906,778	3,883,427	—	—	255,904	81,435	543,814,192	75,444,417	468,369,775
% to number issued		*12.473*		*18.575*				*31.822*		*13.873*	*86.127*
Year to December 31, 1916	436,615,990	109,406,022	20,858,740	10,696,338	—	—	394,918	367,361	550,782,640	172,071,737	378,710,903
% to number issued		*25.058*		*51.280*				*93.022*		*31.241*	*68.759*
Total to December 31, 1916	869,498,692	163,397,429	41,765,518	14,579,765	—	—	650,822	448,796	1,094,596,832	247,516,154	847,080,678
% to number issued		*18.792*		*34.909*				*68.958*		*22.613*	*77.387*
Year to December 31, 1917	539,715,751	129,090,602	25,633,955	14,310,535	—	—	489,977	467,198	680,134,951	212,323,227	467,811,724
% to number issued		*23.918*		*55.826*				*95.351*		*31.218*	*68.782*
Total to December 31, 1917	1,409,214,443	292,488,031	67,399,473	28,890,300	—	—	1,140,799	915,994	1,774,731,783	459,839,381	1,314,892,402
% to number issued		*20.755*		*42.864*				*80.294*		*25.910*	*74.090*
Year to December 31, 1918	554,492,910	109,517,996	26,750,287	13,933,449	—	—	384,072	414,873	697,846,145	189,557,066	508,289,079
% to number issued		*19.751*		*52.087*				*108.020*		*27.163*	*72.837*
Total to December 31, 1918	1,963,707,353	402,006,027	94,149,760	42,823,749	—	—	1,524,871	1,330,867	2,472,577,928	649 396,447	1,823,181,481
% to number issued		*20.472*		*45.485*				*87.277*		*26.264*	*73.736*
Year to December 31, 1919	845,172,981	131,021,414	40,979,176	18,450,525	—	—	11,787	96.174	1,050,363,536	225,708,389	824,655,147
% to number issued		*15.502*		*45.039*				*815.933*		*21.489*	*78.511*
Total to December 31, 1919	2,808,880,334	533,027,441	135,128,936	61,280,274	—	—	1,536,658	1,427,041	3,522,941,464	875,104,836	2,647,836,628
% to number issued		*18.977*		*45.349*				*92.867*		*24.840*	*75.160*
Year to December 31, 1920	918,490,301	155,606,608	42,748,653	21,918,389	—	—	357,163	36,222	1,141,162,641	266,104,103	875,058,538
% to number issued		*16.942*		*51.273*				*10.142*		*23.319*	*76.681*
Total to December 31, 1920	3,727,370,635	688,634,049	177,877,589	83,198,663	—	—	1,893,821	1,463,263	4,664,104,105	1,141,208,939	3,522,895,166
% to number issued		*18.475*		*46.773*				*77.265*		*24.468*	*75.532*
Year to December 31, 1921	837,463,395	176,308,641	38,384,291	25,430,881	—	—	577,999	249,276	1,043,834,825	309,694,946	734,139,879
% to number issued		*21.053*		*66.253*				*43.127*		*29.669*	*70.331*
Total to December 31, 1921	4,564,834,030	864,942,690	216,261,880	108,629,544	—	—	2,471,820	1,712,539	5,707,938,930	1,450,903,885	4,257,035,045
% to number issued		*18.948*		*50.231*				*69.283*		*25.419*	*74.581*
Year to December 31, 1922	801,298,222	173,813,030	48,222,711	31,374,928	601,894	317,837	546,341	434,927	1,068,108,182	347,917,585	720,190,597
% to number issued		*21.691*		*65.063*		*52.806*		*79.607*		*32.573*	*67.427*
Total to December 31, 1922	5,366,132,252	1,038,755,720	264,484,591	140,004,472	601,894	317,837	3,018,161	2,147,466	6,776,047,112	1,798,821,470	4,977,225,642
% to number issued		*19.358*		*52.935*		*52.806*		*71.151*		*26.547*	*73.453*
January and February, 1923	132,851,356	31,544,590	6,361,993	5,109,303	234,974	189,488	39,759	71,977	170,354,776	62,680,290	107,674,486
% to number issued		*23.744*		*80.310*		*80.642*		*181.033*		*36.794*	*63.206*
Total to February 28, 1923	5,498,983,608	1,070,300,310	270,846,584	145,113,775	836,868	507,325	3,057,920	2,219,443	6,946,401,888	1,861,501,760	5,084,900,128
% to number issued		*19.464*		*53.577*		*60.622*		*72.580*		*26.798*	*73.202*

NOTE: The difference between number of coupons redeemed to December 31, 1918 as above (649,396,447) and the number as of that date appearing on Exhibit N. of report of Touche, Niven & Co. and also in statements of Marwick, Mitchell, Peat & Co. (650,225,392) represents an adjustment of the figures to give effect to coupons of a value of $2,483.83, which were billed back to the U. P. S. Corporation for the reason that they were not Wrigley's coupons. See page 127 of report of Marwick, Mitchel, Peat & Co.

LARSON EXHIBIT No. 194.

WM. WRIGLEY JR. COMPANY

Statement of Reserve for Redemption of U. P. S. Coupons, per Books, Showing the Balances at Beginning and End of each Year with the Changes during the Year

	1919	1920	1921	1922	1923
Balance at beginning	$2,499,967.09	3,715,980.11	4,971,760.57	5,921,578.42	819,972.66
Reserve set up on basis of 60% of redeemable value	1,893,138.18	2,054,092.76	1,878,902.69	1,922,594.71	*306,638.60
Together	$4,393,105.27	5,770,072.87	6,850,663.26	7,844,173.13	7,126,611.26
Deduct Cost of coupons redeemed	677,125.16	798,312.30	929,084.84	1,043,752.75	*188,684.36
	$3,715,980.11	4,971,760.57	5,921,578.42	6,800,420.38	6,937,926.90
Add Credit allowed by U. P. S. Corporation on coupons other than No. 1 denomination redeemed during 1922 in excess of 135,000,000 units, per agreement of December 5, 1921— 39,104,555 units @ 50c				19,552.28	
Balance at end of period	$3,715,980.11	4,971,760.57	5,921,578.42	6,819,972.66	6,937,926.90♦

*January and February only
♦Balance per books February 28, 1923.

LARSON EXHIBIT No. 196

WRIGLEY VS. LARSON

Statement Showing Relation of Net Profits, per Books, exclusive of Income and Profits Taxes to Net Sales for the Period 1914 to 1918, inclusive

	Year 1911	Year 1912	Year 1913	Year 1914	Year 1915	Year 1916	Year 1917	Year 1918	
Net profits per loss and gain account and per Wrigley Exhibit 107	$1,490,074.47	2,084,154.49	2,343,213.77	1,399,404.75	2,048,823.12	2,443,030.04	2,883,981.06	2,417,353.69	
Deduct Adjustments made in books in 1918 in respect to—									
U. P. S. coupon reserve	$ —	—	—	227,077.03	559,507.59	44,002.16	182,283.70	*236.50*	
Amortization of patents and patent rights	88,235.29	88,235.29	88,235.29	88,235.29	88,235.29	88,235.29	88,235.29		
	$ 88,235.29	88,235.29	88,235.29	315,312.32	647,742.88	132,237.45	270,518.99	*236.50*	
Balance	$1,401,839.18	1,995,919.20	2,254,978.48	1,084,092.43	1,401,080.24	2,310,792.59	2,613,462.07	2,417,590.19	15,479,754.38
Add Income and profits taxes included in net profits above	—	—	—	23,432.14	13,994.15	20,488.23	1,273,860.60	1,940,346.44	3,272,121.56
Net profits as adjusted, before deducting income and profits taxes	$1,401,839.18	1,995,919.20	2,254,978.48	1,107,524.57	1,415,074.39	2,331,280.82	3,887,322.67	4,357,936.63	18,751,875.94
Net sales per books	$5,860,464.58	7,282,769.57	8,973,137.89	8,008,536.07	9,717,145.33	12,482,342.89	15,713,657.84	17,048,206.53	
Percentage of net profits as adjusted above to net sales	23 920	27 406	25 130	13 829	14 563	18 677	24 738	25 562	
Percentage of net profits to net sales as per Wrigley Exhibit 107	25 426	28 618	26 114	17 474	21 085	19 572	18 353	14 179	

The figures contained in Wrigley Exhibit 107 in the column "Net Profits as per Books" represent the balance of the "Loss and Gain account" for the respective years and do not include any charges or credits which were made directly to the surplus account. In 1918 there were two comparatively large charges to the surplus account which affect the period covered by the statement and which, as previously stated, are not included in Wrigley Exhibit 107. These items are (a) adjustment of the reserve for outstanding U. P. S. coupons to January 1, 1919, to the basis of 60% of redeemable value, in respect to which $1,012,633.98 was charged to surplus, and (b) amortization of patents and patent rights by which $617,647.03 was charged to surplus. We have given effect to these two adjustments in the above statement and we have also added back to net profits the amount of income and profits taxes which was deducted in arriving at the net profits per books for the reason that there were no charges of a similar nature in the period prior to 1914 and therefore they should be excluded for the purpose of comparing the figures prior to 1914 with those subsequent to that date.

There were a number of other smaller debits and credits to the surplus account but these have been ignored in the above statement and also in Wrigley Exhibit 107.

LARSON EXHIBIT 197.

Wrigley vs. Larson.

For Iden:

Statement showing relation of Net Profits (per books) exclusive of Income and Profits Taxes to Net Sales for the period 1914 to 1918 inclusive.

Year	Net Profits per books and per Wrigley Ex 107	Adjustment of U. P. S. Coupon Reserve	Balance	Add Income and Profits taxes included in Net Profits	Profits as adjusted before deducting Income and Profits Taxes	Net Sales per books	% of Net Profits as adjusted to Net Sales
1914	$1 399 404 75	227 077 03	1 172 327 72	23 432 14	1 195 759 86	8 008 536 07	14.931
1915	2 048 823 12	559 507 59	1 489 315 53	13 994 15	1 503 309 68	9 717 145 33	15.471
1916	2 443 030 04	44 002 16	2 399 027 88	20 488 23	2 419 516 11	12 482 342 87	19.384
1917	2 883 981 06	182 283 79	2 701 697 36	1 273 860 60	3 975 557 96	15 713 657 84	25 300
1918	2 417 353 69	236 50	2 417 590 19	1 940 346 44	4 357 936 63	17 048 206 53	25 562
					617 647 03		

Wrigley Exhibit 107 is what it purports to be provided net profits per books are taken to mean the net result as shown by the "Loss and Gain Account" without regard to charges and credits to surplus account as distinguished from Loss and Gain Account.

The comparison (as shown by Wrigley Exhibit 107) of profits to sales during the accounting period with the three years prior to 1914 is misleading for two reasons; first Wrigley Exhibit 107 takes no cognizance of an amount of $1012633.98 charged to surplus account in 1918 in respect to the adjustment of reserve for outstanding U. P. S. coupons, and secondly net profit of the accounting period are stated after deducting $3272121.46 for income and profits taxes whereas there were no charges of a similar nature in the prior period.

In order to make the comparison from year to year we have adjusted the profits as shown by the books by throwing back into the proper periods the charge in 1918 of $1012633.98 to surplus account and by eliminating the income and profits taxes taken up in the several years, all of which are clearly shown above. On this basis and before making other smaller surplus adjustment, the comparison of the percentage of net profits (exclusive of income and profits taxes) to net sales was as follows:

Year	On basis of net profits adjusted as shown	Per Wrigley Ex. 107
1911	25.426%	25.426%
1912	28.618%	28.618 "
1913	26.114%	26.114 "
1914	14.931%	17.474 "
1915	15.471%	21.085 "
1916	19.384%	19.572 "
1917	25.300%	18.353 "
1918	25.562%	14.179 "

BUCK EXHIBIT A

Corrected 11/27/18

Summary Doublemint Manufacturing Costs—1914-1918

Doublemint starting dates for quantity production. (Chicago.....Aug. 24, 1914 (Brooklyn....Aug. 26, 1914 (Toronto.....Sept. 28, 1914

Doublemint Stopping Dates (Chicago.....Aug. 24, 1918 (Brooklyn....Aug. 24, 1918 (Toronto.....Dec. 18, 1915

		Chicago	Brooklyn	Toronto	Total Boxes	Total Cost	Av. Cost Per Box	Average 1914-15	Average 1914-16	Average 1914-17	Ave. 1914-18
1914	Bxs.	1,015,878	214,756	73,079	1,303,713		.20293081				
	Total Cost	205,345.38	43,471.69	15,746.47		264,563.54					
1915	Bxs.	3,102,936	593,015	186,476	3,882,427		.22152308	.2168492			
	Total Cost	688,483.83	135,229.91	36,333.46		860,047.20					
1916	Bxs.	3,806,742	503,934		4,310,676		.22118249		.2188161		
	Total Cost	836,157.55	117,288.51			953,446.06					
1917	Bxs.	3,868,611	713,076		4,581,687		.21404994			.21726504	
	Total Cost	826,312.89	154,396.95			980,709.84					
1918	Bxs.	2,675,507	583,934		3,259,441		.21446728				.21673908
	Total Cost	560,449.74	138,593.72			699,043.46					

Total Box Production all Plants of all brands and kinds 102,195,457
Total Box Production of Doublemint 1914-Aug. 24, 1918 17,337,944
Cost of Doublemint per box .21673908 Doublemint production to total=16.965475%
Total Manufacturing Cost of Doublemint.....$3,757,810.10

Buck Exhibit A.

440 (BUCK EX. B)

Chewing Gum Manufacturers

Cable Address Spearmint—Chicago

WM. WRIGLEY JR. COMPANY
5 North Wabash Avenue.

Chicago 11/19/18.
When replying mention date and

CR

CHICAGO 1914

Summary Doublemint Costs Chicago Factory Aug. to Dec. inc. 1914.

Total Boxes Wrapped	1,015,878
Cost of	
Raw Material	$ 139,426.06
Gum Clothing	26,166.34
In Freight on Material	45.22
Labor	10,382.09
Shipping Dept. Labor	3,253.66
Shipping Boxes, Etc	5,010.91
Factory Expense	2,574.62
Power & Light	379.83
Admin. Exp	3,386.55
Insurance	5,033.16
Factory Depreciation	4,305.16
Motor Truck Expense	651.11
169,747—4c—Stamps	6,789.88
	$ 207,354.59
Credits	2,009.21
Net Cost	$ 205,345.38

Average Cost Box $0.20213586

Report made out by Nelson L. Buck

441 (BUCK EX. C.)

Chewing Gum
Manufacturers

Cable Address
Spearmint—Chicago

WM. WRIGLEY JR. COMPANY
5 North Wabash Avenue.

CR

Chicago 11/19/18
When replying mention
Date and

CHICAGO 1915

Summary Doublemint Costs Chicago Factory—1915

Total Boxes Wrapped	3,102,936
Cost of	
Raw Material	$ 409,902.54
Gum Clothing	75,475.32
In Freight on Material	279.05
Labor	29,402.18
Shipping Dept. Labor	11,145.10
Shipping Boxes, Etc	11,627.80
Factory Expense	1,504.89
Power & Light	2,536.49
Admin. Exp	9,840.19
Factory Depreciation	9,359.85
Motor Truck Expense	2,761.41
3,062,323—4c Stamps	122,492.92
	$ 691,327.74
Credits	2,843.91
Net Cost 3,102,936 Boxes	$ 688,483.83
Average Cost per Box	$0.22188141

Report made out by N. L. B.

Note:—No insurance included in above.

442 (BUCK EX. D)

Chewing Gum Manufacturers

Cable Address Spearmint—Chicago

WM. WRIGLEY JR. COMPANY
5 North Wabash Avenue.

CR

Chicago 11/20/18
When Replying Mention Date and

CHICAGO 1916

Summary Doublemint Costs Chicago Factory—1916

Total Boxes Wrapped		3,806,742
Cost of		
Raw Material	$ 546,757.80	
Gum Clothing	97,794.00	
In Freight on Material	729.24	
Labor	32,662.58	
Pkg. & Shipping Dept. Labor	12,563.43	
Shipping Boxes, Etc	16,798.84	
Factory Expense	8,159.21	
Power & Light	2,063.57	
Admin. Exp	4,884.15	
Factory Depreciation	8,404.07	
Motor Truck Expense	3,824.04	
2,635,370—4c Stamps	105,414.80	
	$ 840,055.73	
Credits	3,898.18	
Net Cost 3,806,742 Boxes	$ 836,157.55	
Average Cost per Box		$0.21965175

Report made out by N. L. B.

Note:—No insurance included in above.

443 (BUCK EX. E)

Chewing Gum Manufacturers

Cable Address Spearmint—Chicago

WM. WRIGLEY JR. COMPANY.
5 North Wabash Avenue.

CR

Chicago 11/20/18.
When Replying Mention Date and

CHICAGO 1917

Summary Doublemint Costs Chicago Factory—1917

Total Boxes Wrapped	3,868,611
Cost of	
Raw Material	$ 592,866.13
Gum Clothing	131,142.21
In Freight on Material	568.48
Labor	37,641.94
Pkg. & Shipping Labor	14,866.77
Shipping Boxes, Etc	20,985.29
Factory Expenses	12,879.74
Power & Light	2,712.49
Admin. Expense	4,740.55
Factory Depreciation	8,720.92
Motor Truck Expense	3,363.83
	$ 830,488.35
Credits	4,175.46
Net Cost 3,868,611 Boxes	$ 826,312.89
Average Cost per Box	$0.213594

Report made out by Nelson L. Buck

444 (BUCK EX. F)

Chewing Gum Manufacturers

Cable Address Spearmint—Chicago

WM. WRIGLEY JR. COMPANY.
5 North Wabash Avenue.

CR

Chicago 11/21/18
When Replying Mention Date and

CHICAGO 1918

Summary Doublemint Costs Chicago Factory—1918.

Total Boxes Wrapped	2,675,507
Cost of	
Raw Material	$ 379,521.78
Gum Clothing	95,078.17
In Freight on Material	797.88
Labor	32,148.27
Pkg. & Shipping Dept. Labor	9,533.87
Shipping Boxes, Etc	17,025.96
Factory Expense	13,155.06
Power & Light	2,133.57
Admin. Exp	3,376.85
Factory Depreciation	5,372.29
Motor Truck Expense	5,350.20
	$ 563,493.90
Credits	3,044.16
Net Cost 2,675,507 Boxes	$ 560,449.74
Average Cost per Box	$0.20947421

Report made out by N. L. B.

445 (BUCK EX. G)

Chewing Gum Manufacturers

Cable Address Spearmint—Chicago

WM. WRIGLEY JR. COMPANY.
5 North Wabash Avenue.

Chicago 12/5/18
When Replying Mention Date and

CHICAGO 1918
(Aug. 26th-October 4th)

Summary Supplementary Doublemint Costs Chicago Factory—1918

Total Boxes Wrapped	822,949
Cost of	
Raw Material	$ 140,156.96
Gum Clothing	36,003.85
In Freight on Material	172.13
Labor	11,567.56
Pkg. & Shipping Dept. Labor	2,890.12
Shipping Boxes, Etc	6,676.80
Factory Expense	7,486.39
Power & Light	899.88
Admin. Exp	1,101.75
Factory Depreciation	1,819.48
Motor Truck Expense	1,429.27
	$ 210,204.19
Credits	768.42
Net Cost 822,949 Boxes	$ 209,435.77
Total Cost of All Doublemint manufactured Sept. 1-Oct. 31, inc. (822,949 Bxs.)	209,435.77
Total Cost of All Doublemint manufactured Aug. 25-Aug. 31, inc. (81448 Bxs.)	17,061.31
Total Cost (904,397 Bxs)	$ 226,497.08
Average Cost Per Box	$0.2504398
Cost of 523,293 Boxes	$131,053.39
Report made out by	

458 (BUCK EX. H)

Chewing Gum Manufacturers

Cable Address Spearmint—Chicago

WM. WRIGLEY JR. COMPANY
5 North Wabash Avenue

Chicago, 11/15/18

PK

When Replying Mention Date and

BROOKLYN 1914

Summary Doublemint Costs Brooklyn Factory Sept. to Dec. 1914

Total Boxes Wrapped		214,756
Cost of		
Raw Material	$	30,070.82
Gum Clothing		5,662.61
Labor		1,818.55
Packing & Shipping Salaries & Boxes		387.21
Factory Office Salaries, Supplies & Sundry Expense		675.48
Factory Expense		239.59
Power & Light		121.30
Rent		684.14
Admin. Exp		755.91
Insurance		636.57
Factory Depreciation		650.16
Taxes		72.69
4c Stamps (45840)		1,833.60
	$	43,608.63
Credits		136.94
Net Cost 214,756 Boxes	$	43,471.69
Average Cost Per Box		$0.202423601

Report made out by N. L. B.

459 (BUCK EX. I)

Chewing Gum Manufacturers

Cable Address Spearmint—Chicago

WM. WRIGLEY JR. COMPANY
5 North Wabash Avenue.

PK

Chicago 11/15/18
When Replying Mention Date and

BROOKLYN 1915

Summary Doublemint Costs Brooklyn Factory—1915

Total Boxes Wrapped		593,015
Cost of		
Raw Material	$ 84,547.57	
Gum Clothing	14,313.20	
Labor	4,840.93	
Packing & Shipping Labor & Boxes	2,054.01	
Factory Office Salaries, Supplies & Sundry Expense	2,000.09	
Factory Expense	696.31	
Power & Light	353.07	
Rent	1,366.81	
Admin. Exp	1,761.03	
Insurance	178.79	
Factory Depreciation	1,712.62	
Taxes	181.97	
586,015—4c Stamps	23,440.60	
	$ 137,447.00	
Credits	2,217.09	
Net Cost 593,015 Boxes	$ 135,229.91	
Average Cost per Box		$0.22803771

Report made out by N. L. B.

460 (BUCK EX. J.)

Chewing Gum Manufacturers

Cable Address Spearmint—Chicago

WM. WRIGLEY JR. COMPANY
5 North Wabash Avenue.

CR

Chicago 11/20/18
When Replying Mention date and

BROOKLYN 1916.

Summary Doublemint Costs Brooklyn Factory—1916.

Total Boxes Wrapped		503,934
Cost of		
Raw Material	$	76,245.73
Gum Clothing		13,020.52
Labor		4,665.78
Packing & Shipping Labor & Boxes		2,291.04
Factory Office Salaries, Supplies & Sundry Expense		1,891.71
Factory Expense		1,147.21
Power & Light		317.71
Rent		989.09
Admin. Expense		1,283.23
Insurance		140.28
Factory Depreciation		959.22
Taxes		116.04
366,009—4c Stamps		14,640.36
	$	117,707.92
Credits		419.41
Net Cost of 503,934 Boxes	$	117,288.51
Average Cost Per Box		$0.2327457

Report made out by N. L. B.

461 (BUCK EX. K.)

Chewing Gum Manufacturers

Cable Address Spearmint—Chicago.

WM. WRIGLEY JR. COMPANY.
5 North Wabash Avenue.

CR.

Chicago 11/20/18.
When Replying Mention Date and

BROOKLYN 1917

Summary Doublemint Costs Brooklyn Factory—1917

Total Boxes Wrapped		713,076
Cost of		
Raw Material	$ 107,108.70	
Gum Clothing	24,017.58	
Labor	8,829.05	
Packing & Shipping Labor & Boxes	2,967.52	
Factory Office Salaries, Supplies & Sundry Expense	2,991.38	
Factory Expense	2,622.92	
Power & Light	602.14	
Rent	1,745.70	
Admin. Expense	1,846.48	
Insurance	307.35	
Factory Depreciation	1,665.61	
Taxes	181.47	
	$ 154,885.90	
Credits	488.95	
Net Cost 713,076 Boxes	$ 154,396.95	
Average Cost Per Box		$0.2165224

Report made out by N. L. B.

462 (BUCK EX. L)

Chewing Gum Manufacturers

Cable Address Spearmint—Chicago.

WM. WRIGLEY JR. COMPANY
5 North Wabash Avenue.

CR

Chicago, 11/21/18
When Replying Mention Date and

BROOKLYN 1918

Summary Doublemint Costs Brooklyn Factory—1918

Total Boxes Wrapped		583,934
Cost of		
Raw Material	$	93,442.93
Gum Clothing		22,626.30
Labor		8,648.55
Packing & Shipping Labor & Bxs		2,976.16
Factory Office Salaries, Supplies & Sundry Expense		2,747.43
Factory Expense		1,911.72
Power & Light		762,67
Rent		1,799.92
Admin. Expense		1,713.56
Insurance		594.79
Factory Depreciation		1,197.72
Taxes		604.78
	$	139,026.53
Credits		432.81
Net Cost of 583,934 Boxes	$	138,593.72
Average cost per Box		$0.237344.

Report made out by N. L. B.

463 (BUCK EX. M.)

Chewing Gum Manufacturers

Cable Address Spearmint—Chicago

WM. WRIGLEY JR. COMPANY
5 North Wabash Avenue

Chicago
When Replying Mention Date and 12/5/18

PK

BROOKLYN 1918
(Aug. 26th to Oct. 4th inc.)

Summary Supplementary Doublemint Costs Brooklyn Factory—1918

Total Boxes Wrapped	195,314
Cost of	
Raw Material	29,325.47
Gum Clothing	10,264.04
Labor	3,240.40
Pkg. & Ship. Labor	1,046.65
Fct. Office Salaries, Supplies etc	1,278.55
Factory Expense	655.32
Light & Power	278.40
Rent	823.27
Taxes	276.62
Admin. Exp	783.77
Depreciation	556.81
	$ 48,529.30
Credits	136.20
Net Cost 195,314 Boxes	$ 48,393.10
Total Cost of all Doublemint Wrpd. Aug 26th to Oct 25th inc (195,314 Boxes)	$ 48393.10
Average Cost per Box	$0.24777076

Boxes produced and sold Aug. 26th to elimination of green ends—160,889 Boxes

160,000 X .24777076—$39,863.58——Cost of 160,889 Boxes

Report made out by.....

UNITED STATES PATENT OFFICE

L. P. LARSON, JR. COMPANY, OF CHICAGO, ILLINOIS.

TRADE-MARK FOR CHEWING-GUM.

85,910. Registered Mar. 26, 1912.

Application filed August 17, 1911. Serial No. 58,239.

STATEMENT.

To all whom it may concern:

Be it known that L. P. LARSON, JR. COMPANY, a corporation duly organized under the laws of the State of Illinois, and located in the city of Chicago, county of Cook, in said State, and doing business at No. 29 South Clinton street, city of Chicago, State of Illinois, has adopted and used the trade-mark shown in the accompanying drawing, the words "Peptomint" and "Gum" being disclaimed, for chewing-gum, in Class No. 46, Foods and ingredients of foods.

The trade mark has been continuously used in the business of said corporation since July 27th, 1911.

The trade mark is applied or affixed to the goods or to the packages containing the same by placing thereon a printed label on which the trade mark is shown.

L. P. LARSON, JR COMPANY,
By L. P. LARSON, JR.,
Pres.

DECLARATION.

State of Illinois county of Cook ss.

L. P. LARSON, Jr., being duly sworn, deposes and says that he is the president of the corporation, the applicant named in the foregoing statement; that he believes the foregoing statement is true; that he believes said corporation is the owner of the trade-mark sought to be registered; that no other person, firm, corporation or association, to the best of his knowledge and belief, has the right to use said trade mark in the United States, either in the identical form or in any such near resemblance thereof as might be calculated to deceive; that said trade mark is used by said corporation in commerce among the several States of the United States; that the description and drawing presented truly represent the trade mark sought to be registered, and that the specimens show the trade mark as actually used upon the goods.

L. P. LARSON, JR.

Subscribed and sworn to before me, a notary public, this 31st day of July 1911.

[L. S.] JOHN A MARTINKUS,
Notary Public.

Copies of this trade-mark may be obtained for five cents each, by addressing the "Commissioner of Patents, Washington, D. C."

4350

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED JUNE 1, 1908.

942,101.

Patented Dec. 7, 1909.

7 SHEETS—SHEET 1.

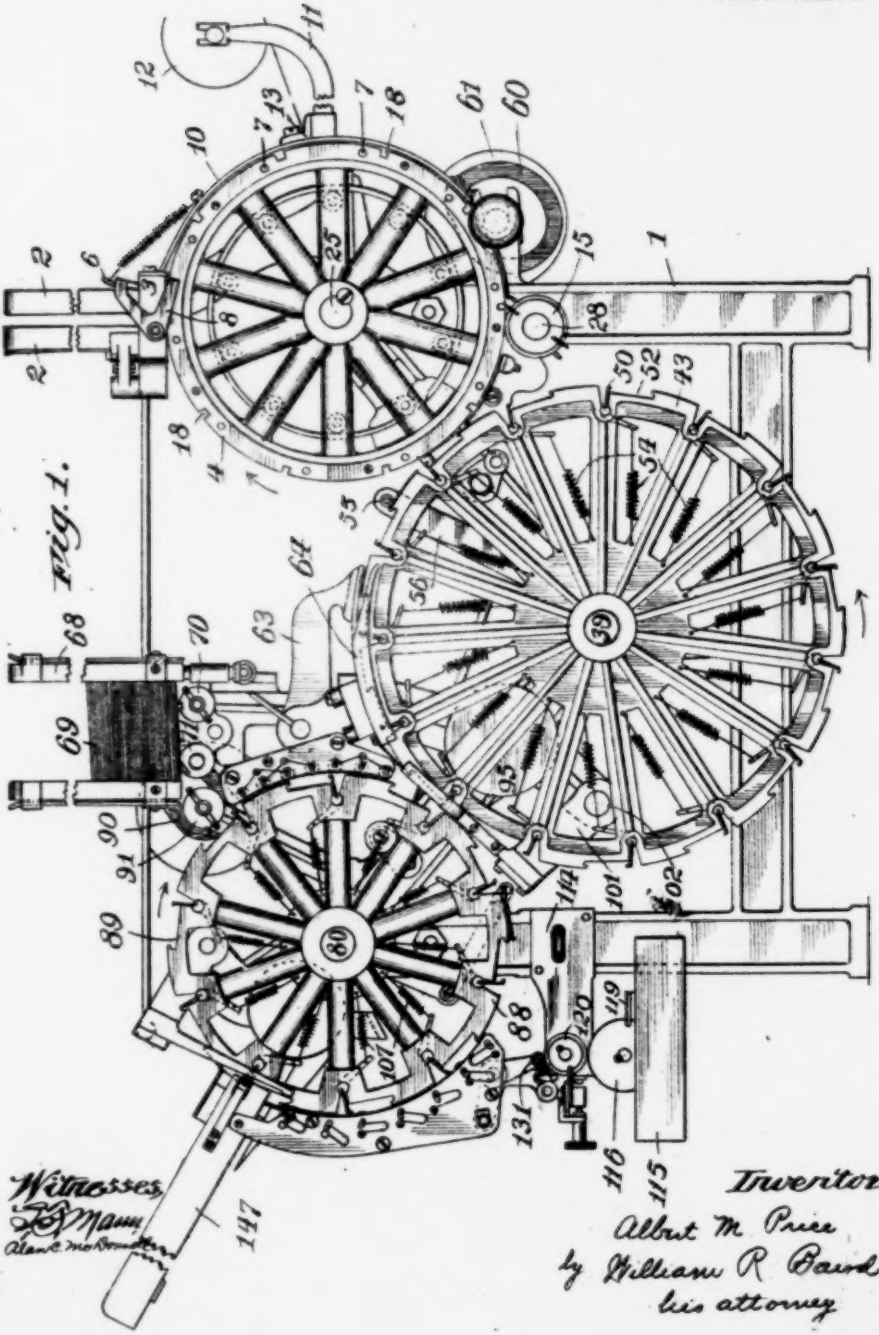


Fig. 1.

Witnesses,
F. B. Mann
Alan C. McDonald

Inventor,
Albert M. Price
by William R. Baird
his attorney

4352

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED JUNE 1, 1908.

942,101.

Patented Dec. 7, 1909.

12 SHEETS—SHEET 2.

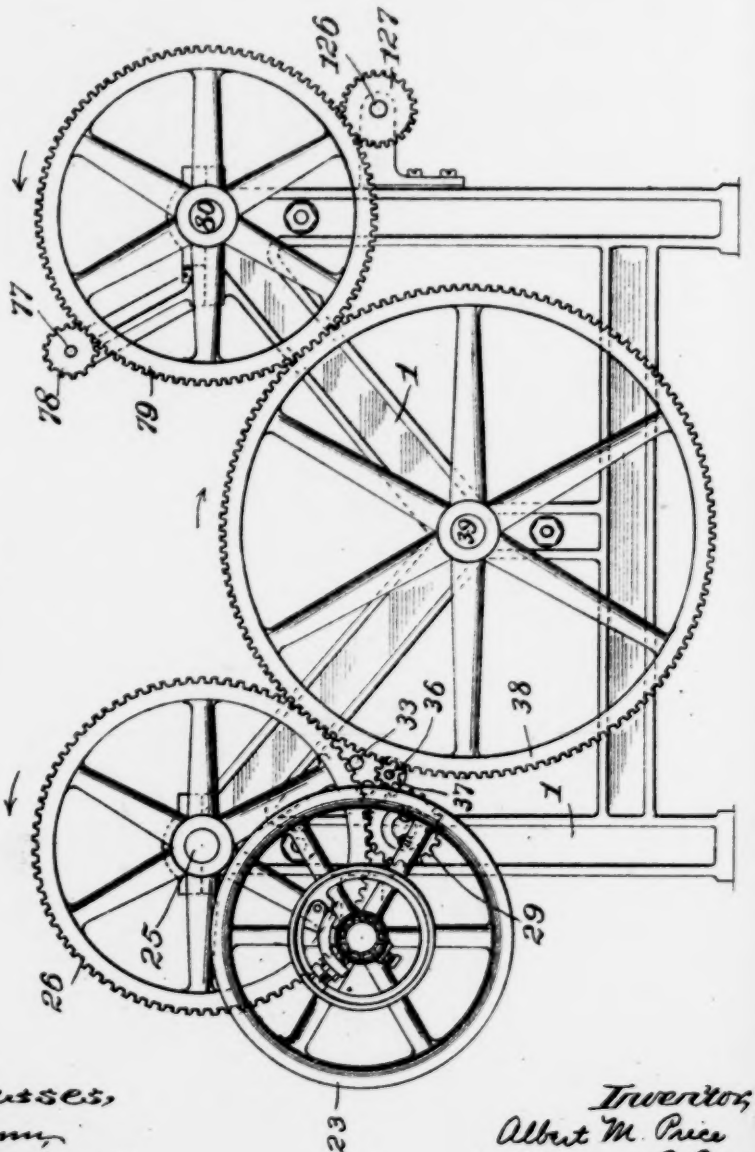


Fig. 2.

Witnesses,
F. F. Mann,
Alan C. MacDonnell.

Inventor,
Albert M. Price
by William R. Baird
his attorney

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED JUNE 1, 1908.

942,101. Patented Dec. 7, 1909.

12 SHEETS—SHEET 3.

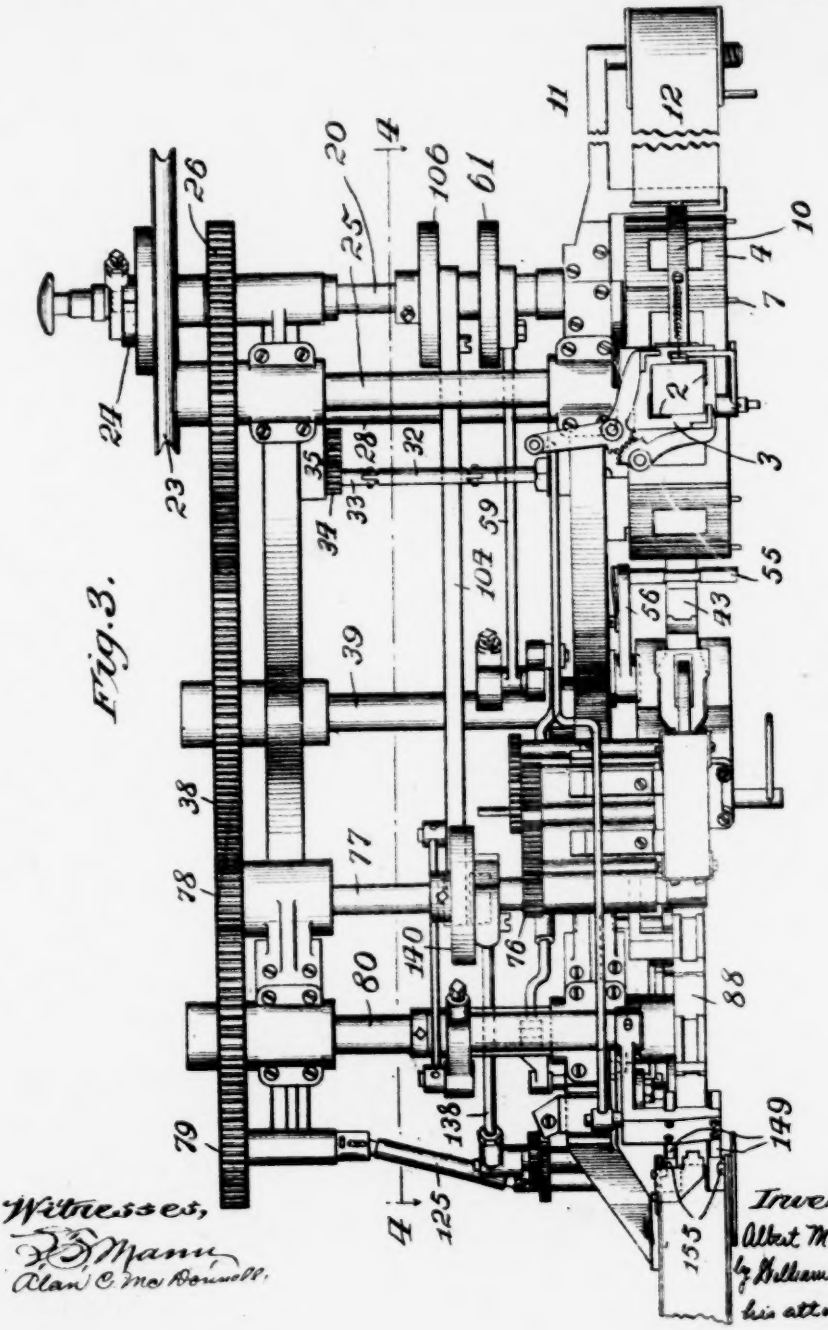


Fig. 3.

Witnesses,
D. F. Mann
Alan C. McDonnell.

Inventor,
Albert M. Price
by William R. Baird
his attorney

4356

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED JUNE 1, 1908.

942,101.

Patented Dec. 7, 1909.

12 SHEETS—SHEET 4.

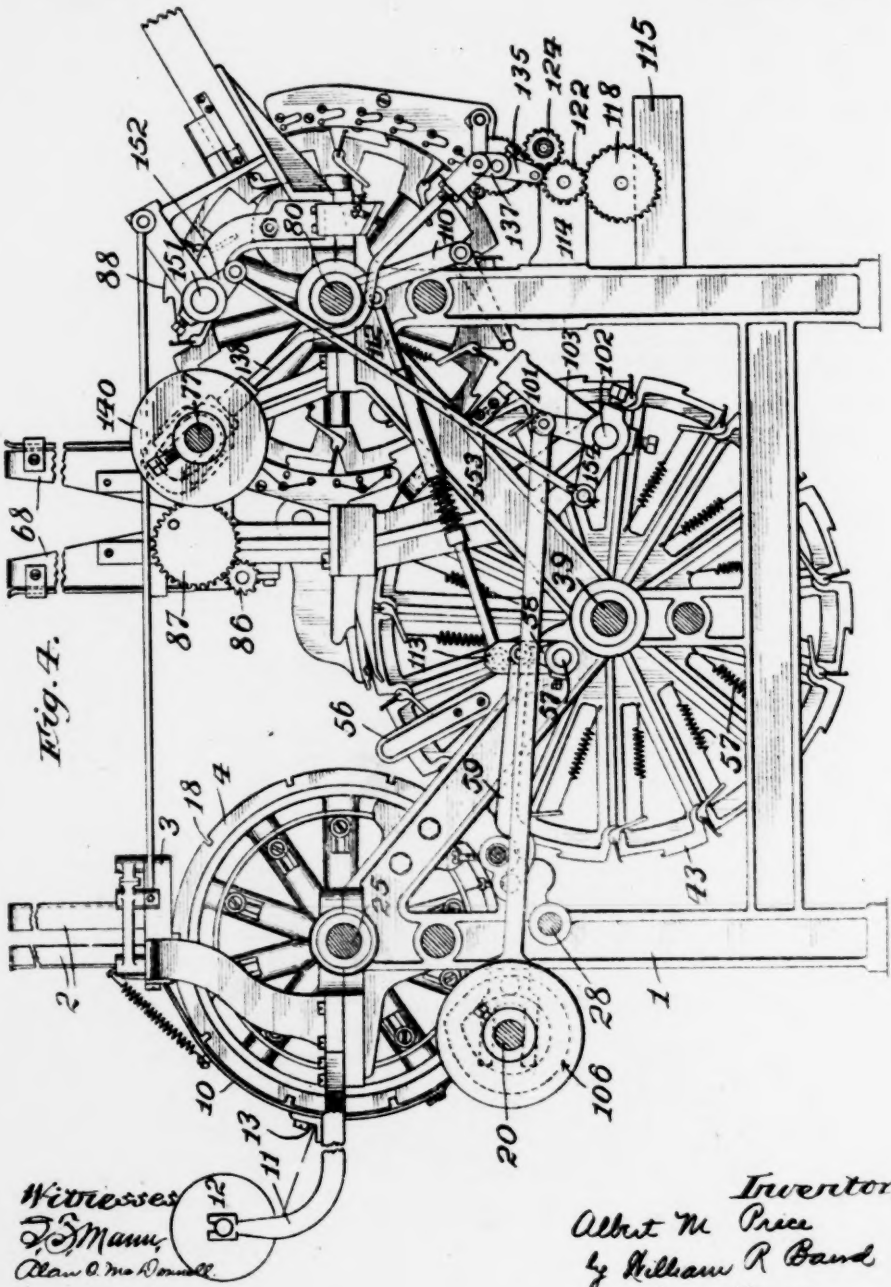


Fig. 4.

Witnesses
D. F. Mann,
Alan O. McDonnell.

Inventor,
Albert M. Price
by William R. Baird
his attorney

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED JUNE 1, 1908.

942,101.

Patented Dec. 7, 1909.

12 SHEETS—SHEET 5.

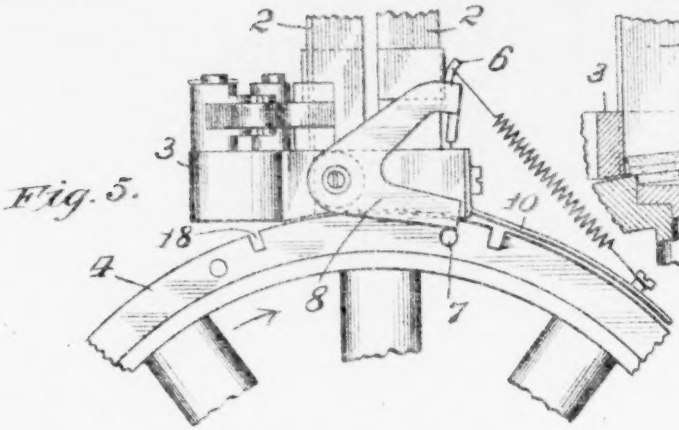


Fig. 5.

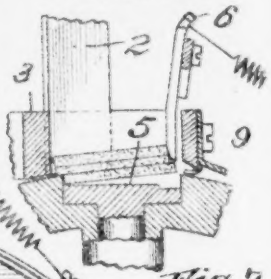
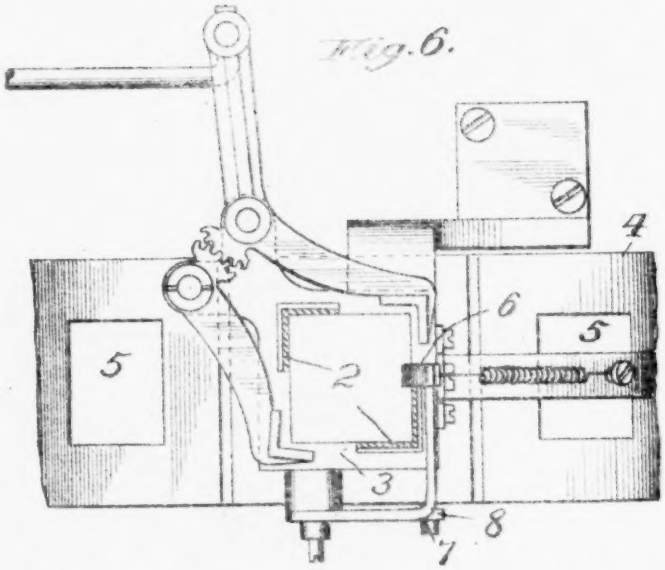


Fig. 7.

Fig. 6.



Witnesses.
D. Swann
Chas. O. McDonnell

Inventor,
Albert M. Price
by William R. Baird
his attorney

A. M. PRICE.

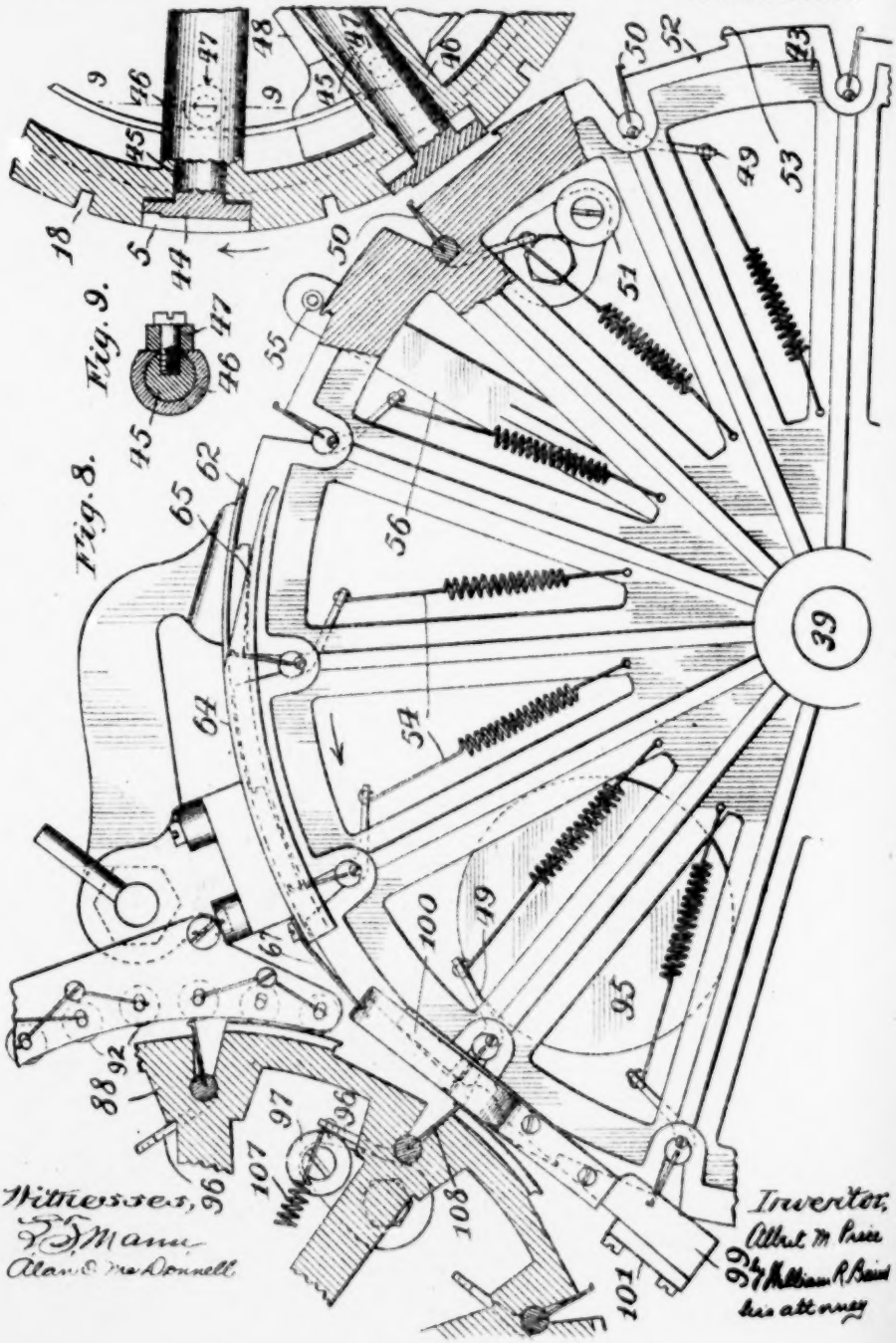
WRAPPING MACHINE.

APPLICATION FILED JUNE 1, 1908.

942,101.

Patented Dec. 7, 1909.

12 SHEETS—SHEET 9.



Witnesses,
F. J. Mann
Alan S. MacDonnell

Inventor,
Albert M. Price
by William R. Baird
his attorney

4362

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED JUNE 1, 1908.

942,101.

Patented Dec. 7, 1909.

12 SHEETS—SHEET 7.

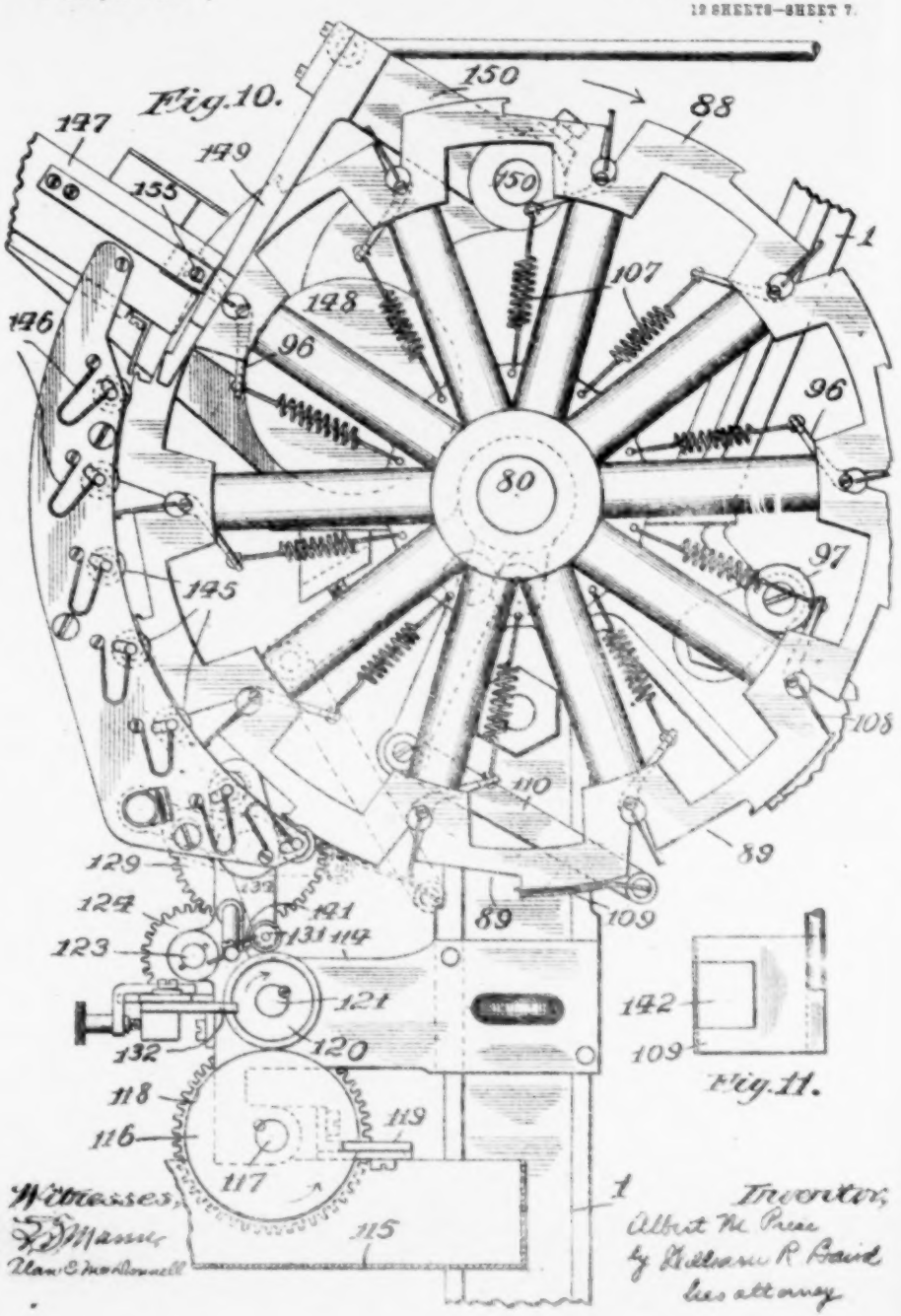


Fig. 11.

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED JUNE 1, 1908.

942,101.

Patented Dec. 7, 1909.

12 SHEETS—SHEET 8.

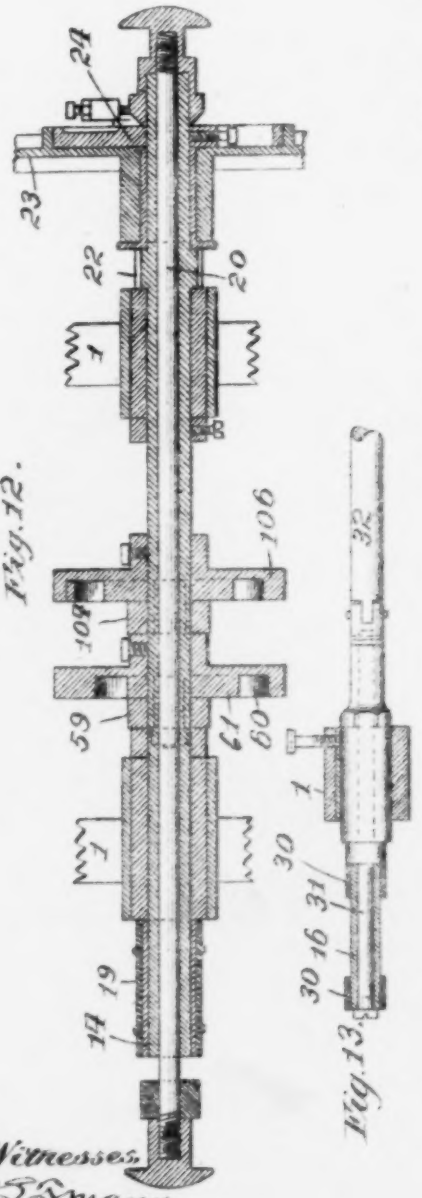


Fig. 12.

Fig. 13.

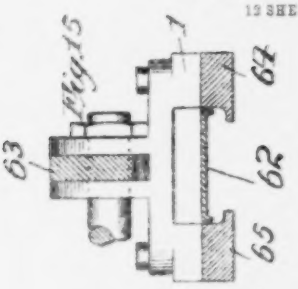


Fig. 15.

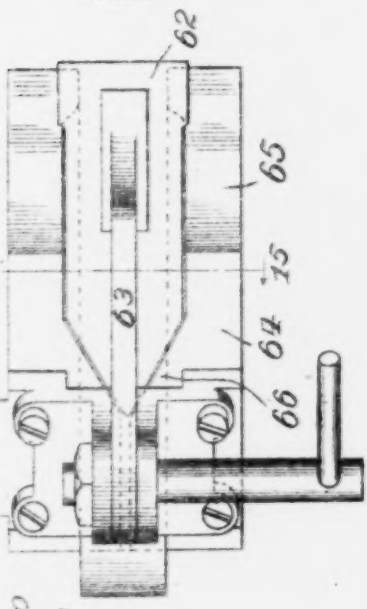


Fig. 14.

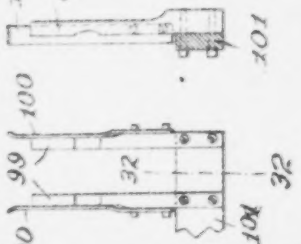


Fig. 31 Fig. 32.

Witnesses,
F. F. Mann,
Alan C. MacDonnell

Inventor;
Albert M. Price
by Hillman, R. Baird
his attorney

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED JUNE 1, 1908.

942,101.

Patented Dec. 7, 1909

12 SHEETS—SHEET 9.

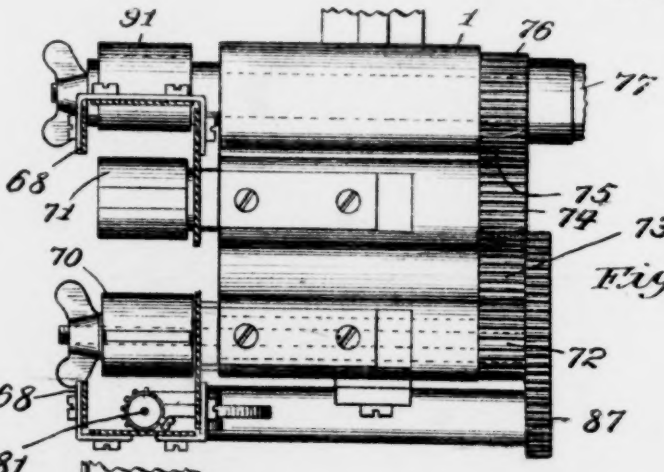


Fig. 16.

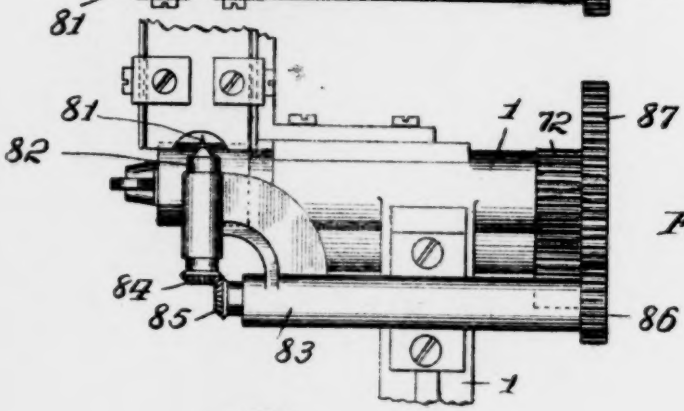


Fig. 17.

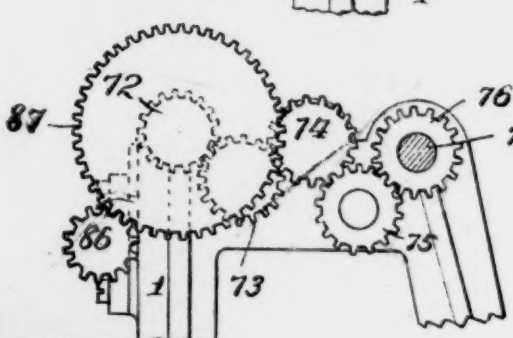


Fig. 18.

Witnesses,
F. S. Mann,
Dana C. McDonnell.

Inventor:
Albert M. Price
by William R. Baird
his attorney

4368

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED JUNE 1, 1908.

942,101.

Patented Dec. 7, 1909.

12 SHEETS—SHEET 10.

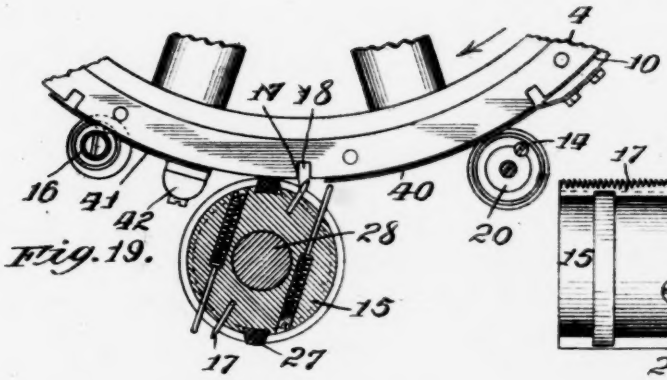


Fig. 19.

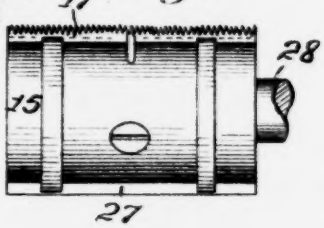


Fig. 20.

Fig. 21.

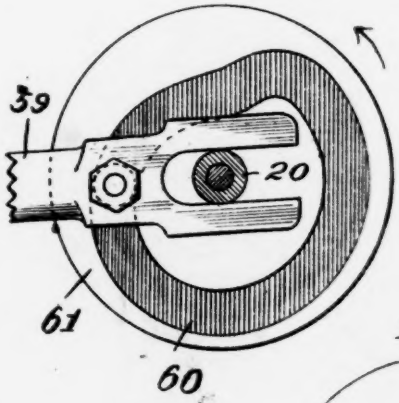


Fig. 22.

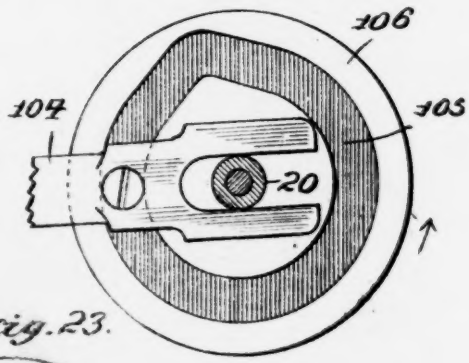
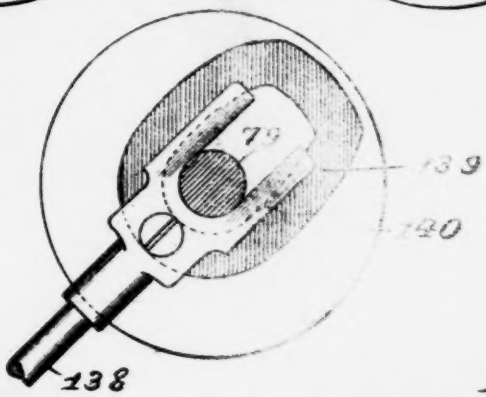


Fig. 23.



Witnesses,
F. F. Mann,
Alan C. McDonnell

Inventor,
Albert M. Price
by William R. Baird
his attorney

4370

A. M. PRICE.

WRAPPING MACHINE.

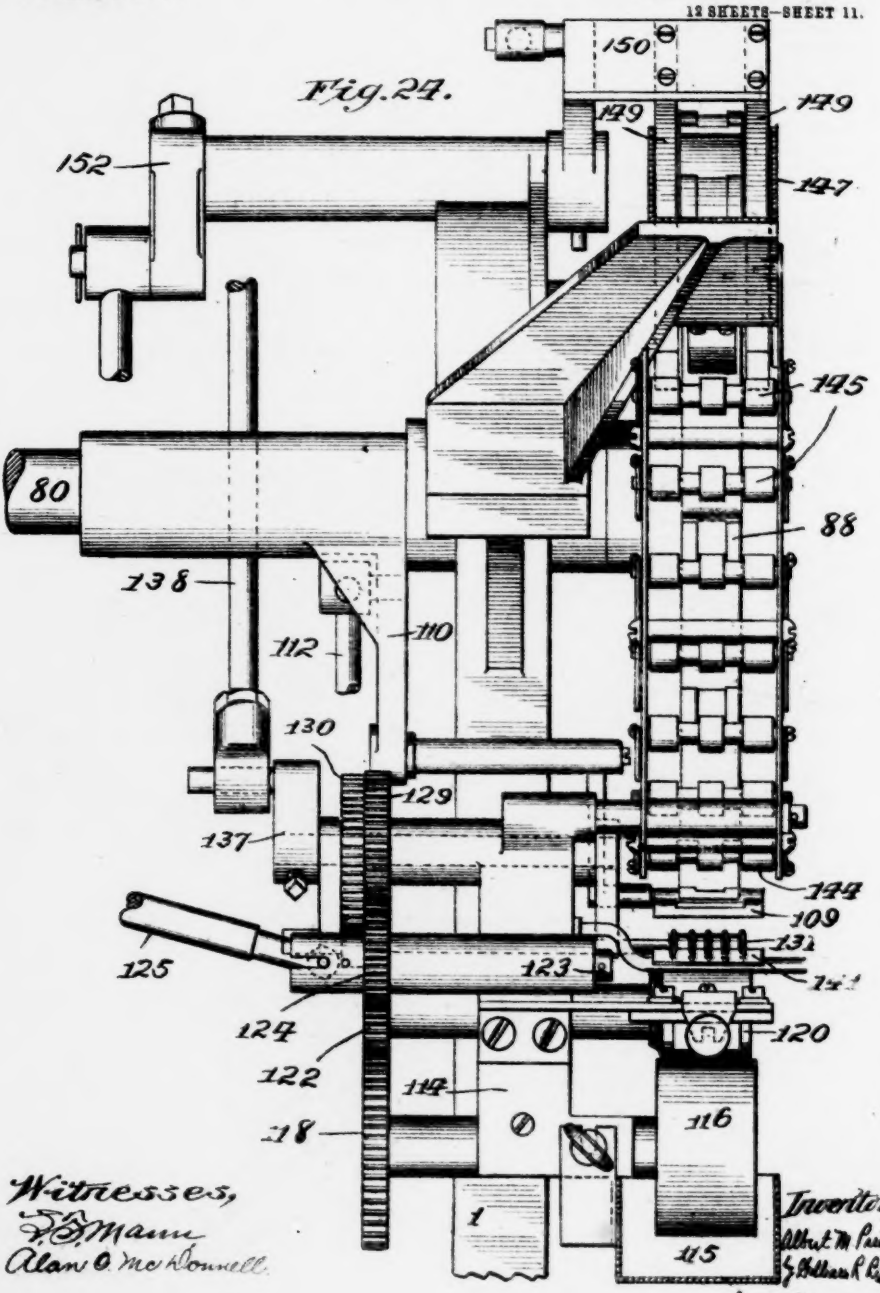
APPLICATION FILED JUNE 1, 1908.

942,101.

Patented Dec. 7, 1909.

12 SHEETS—SHEET 11.

Fig. 24.



Witnesses,
F. E. Mann
Alan O. McDonnell.

Inventor,
Albert M. Price
by Wilbur R. Price
his attorney

4372

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED JUNE 1, 1908.

942,101. Patented Dec. 7, 1909.

12 SHEETS—SHEET 15.

Fig. 26.

Fig. 29.

Fig. 27.

Fig. 30.

Fig. 28.

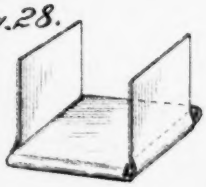
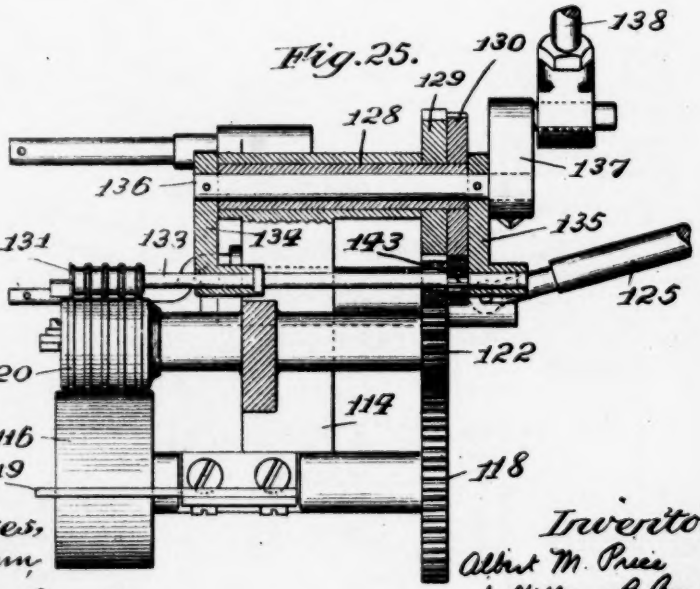


Fig. 25.



Witnesses,
E. Mann,
Alan C. McDonnell.

Inventor,
Albert M. Price
by William R. Baird
his attorney

rouser 131 is mounted on a shaft 133 which is journaled in bearings in two crank arms 134 and 135, secured to a shaft 136 which turns in the hollow shaft 128. For the purpose of oscillating the cranks 134 and 135 and thereby oscillating the roller 131, a crank arm 137 is attached to the shaft 136, and pivoted on this crank arm is a connecting rod 138 (Figs. 4 and 23) to which is attached a roller running in a cam track 139 of a cam 140, attached to the shaft 77. This cam track is so shaped and the cam so timed, that the roller 131 will, for the major portion of the time, run in contact with the roller 120, in which position it is also in contact with a scraper 141, (Figs. 10 and 24) which serves to remove any surplus of adhesive material. At the proper time the roller 131 will be swung in an upward direction away from the roller 120 and to the position shown in dotted outline in Fig. 10. This motion occurs at the time when the rear end of the band is held down against the article by the folding member 109. Through an opening 142 (Fig. 11) in the folding member 109 the roller 131 comes in contact with the outer face of the rear end of the band, and remains there for a short period, during which the wheel 88 will have rotated a slight portion of a revolution so that the narrow, adhesive covered surfaces of the roller 131 will make a plurality of lines of adhesive on the band, as illustrated in Fig. 29.

That the roller 131 may rotate when in contact with the roller 120, and also when in contact with the band carried by the wheel 88, the shaft 133 is provided with a spur gear 143, which meshes with the spur gear 120. Thus the roller 131 will be rotated, no matter what is the position of the cranks 134 and 135. The roller 131 is now moved away from contact with the band and is carried back to contact with the roller 120, while the folding member 109 remains stationary in its forwardmost position, while the wheel 88 moves the article and band forward under a roller 144 which folds the front end of the band and presses it down against the adhesive, as shown in Fig. 30. The article now passes on under a plurality of rollers 145 (Figs. 10 and 24) which are held in the direction of the wheel by a plurality of springs 146. The rollers 145 and 144 have two grooves cut in their surfaces and the wheel 88 has a central groove in its surface, the grooves in the one registering with the remaining surfaces on the other and vice versa, so that the rollers may bear on an article carried by the wheel 88 although the surface of the article may be below the periphery of the wheel. In this manner the front end of the band is held pressed against the adhesive as the article is passed under the series of rollers 145.

Secured to the frame 1 is a chute 147 (Figs. 1, 10 and 24) which is adapted to receive the articles as they are ejected from the wheel 88. As each successive pocket in the wheel 88 approaches this chute, the tail pieces 96 pass over a stationary pivoted roller 148, whereby the pockets are opened so that the articles may be removed.

For removing the articles there are provided a pair of oscillating fingers 149 which are attached to a crank arm 150 secured to the shaft 151, journaled in a bearing in the frame 1, and to the opposite end of which is secured a crank arm 152 (Figs. 4 and 24). To the crank arm 152 is pivoted a connecting rod 153 which in turn is pivoted to a crank arm 154 attached to the shaft 102, the operating mechanism of which has been heretofore described. In this manner the fingers 149 are oscillated simultaneously with the fingers 99 so that for every article transferred into the wheel 88 by the fingers 99 an article is ejected from it by the fingers 149, at a point diametrically opposite therefrom. As each successive article is ejected from the wheel 88 into the chute 147, they are engaged and held in the chute by a pair of spring catches 155 (Figs. 10 and 3). As each successive article is thus transferred into the chute 147 it pushes forward all the articles previously so transferred and which are now ready to be removed by the operator and placed in a suitable receptacle.

It will be understood that the articles being operated upon are passing through the machine in continuous succession and that the mechanisms which have been described as performing a certain function with regard to one article will perform the same function on each succeeding article as it passes through the machine.

I will now very briefly follow the course of the articles through the machine without going into detail as to the mechanism operating the various parts. The operator fills, with the articles to be wrapped, the magazine composed of the angular uprights 2, places in position a roller of waxed tissue paper 12, passes the end thereof through the slot in the guard 10 at the point 13, and draws the same downward until it engages the roller 14. He also fills the magazine 68 with a quantity of labels and places on top thereof a suitable weight so that they may have sufficient tension against the feeding rollers 70 and 71. A suitable belt being provided to drive the machine, its clutch is thrown into engagement and the machine started. The articles drop into each of the successive pockets of the wheel 4 and are carried around therewith, and the waxed paper as it passes around on the circumference of the wheel 4, is cut into suitable lengths by the cutters 17. Each successive article, together with a wrapper of waxed paper, is then transferred from the wheel 4 to the

wheel 43. As the articles and wrappers thus held in the wheel 43 are carried along, the wrapper is folded and assumes the appearance shown in Fig. 26. The bands are fed in succession from the magazine 68 onto the surface of the wheel 88, and downward to a position where the periphery of the wheel 88 becomes adjacent to the wheel 43. At this position the previously wrapped articles are successively transferred from the wheel 43 to the wheel 88 and into engagement with each successive band being carried on the wheel 88. The wrapped articles are brought into contact with the bands in the relative position shown in Fig. 27 and when secured in the wheel 88 assumes the appearance shown in Fig. 28. Each successive article and band are now carried forward by the wheel 88 and the rear end of the band is folded down and the adhesive material applied thereto as shown in Fig. 29. The front end of the band is folded down on to the rear end and against the adhesive as shown in Fig. 30 and the articles are in succession ejected from the wheel 88 into the magazine 147, thus completing the operation, and the articles are then ready to be removed from the machine by the operator.

What I claim as new is:—

1. In a wrapping machine, the combination with a continuously rotating wheel provided with means for holding an article and its wrapper, of means for folding the wrapper about the article while carried by said wheel, a second continuously rotating wheel, means for transferring the article and wrapper from said first wheel to said second wheel and to a predetermined position upon a band, means for feeding said bands to the required position to receive the wrapped article, means for completing the folding of the band about the article, and means for applying adhesive to the band for securing the ends thereof later, said means being adapted to operate while the wrapped article and band are being carried by the second continuously rotating wheel.

2. In a wrapping machine, the combination with a continuously rotating wheel adapted to receive an article and band therefor of means for folding the rear end of the band over and upon the article, of means for applying an adhesive material to the outer face of the end of the band thus folded down, and means for folding the front end of the band over and upon the previously folded rear end of the band, whereby the two ends of the band will be secured together by the adhesive material, all of said means being adapted to operate while the article and band therefor are carried by, and during the continuous rotation of, said wheel.

3. In a wrapping machine, the combination with a continuously rotating wheel, adapted to receive an article, and a wrapper, of means for folding the wrapper outward about the article while both are carried by said wheel, a second continuously rotating wheel adapted to receive the wrapped article and a band therefor, means for transferring the wrapped article from the first wheel to the second wheel and to a predetermined position upon the band, which band is arranged at an angle to the first wrapper, and means for feeding the band to such an angular position to receive the wrapped article.

4. In a wrapping machine, a paper roll holder, a continuously rotating feed wheel provided with pockets, an article magazine, means for feeding the paper to the wheel, automatically placing the articles successively thereon, and automatically severing the paper into strips, means for automatically transferring the article and its paper strip to a second continuously rotating wheel provided with pockets, means for automatically folding the strip around the article while on the wheel to constitute a wrapper therefor, a label or band magazine, a third continuously rotating wheel provided with pockets, means for automatically feeding the labels to the wheel over the pockets, automatic means for transferring the wrapped article from the second wheel to the third wheel so that the wrapper on the article will be at an angle to the band on the third wheel, and means for automatically gumming said band and folding it around the article and its wrapper.

5. In a wrapping machine, a paper roll holder, a continuously rotating feed wheel provided with pockets, an article magazine, means for feeding the paper to the wheel, automatically placing the articles successively thereon and automatically severing the paper into strips, means for automatically transferring the article and its paper strip to a second continuously rotating wheel provided with pockets, means for automatically folding the strip around the article while on the wheel to constitute a wrapper therefor, a label or band magazine, a third continuously rotating wheel provided with pockets, means for automatically holding the labels to the wheel over the pockets, automatic means for transferring the wrapped article from the second wheel to the third wheel so that the wrapper on the article will be at an angle to the band on the third wheel, and means for automatically gumming said band, folding it around its wrapper while on the third wheel and discharging the wrapped article therefrom.

6. In a wrapping machine, the combination with a continuously revolving wheel having pockets adapted to receive an article to be wrapped and a wrapper, of a pivoted wrapping member adapted to contact with

the wrapper to fold one end of it over the article, provided with an aperture whereby the folded end of the wrapper may be supplied with adhesive material without removing the wrapping member from the wheel, means for supplying such material through the aperture, comprising a swinging pasting roll and means whereby it may be intermittently swung between the aperture and a source of adhesive material, and means for folding the opposite end of the wrapper down on the adhesive material.

7. In a wrapping machine, the combination with a continuously revolving wheel having pockets adapted to receive an article to be wrapped and a wrapper, of a pivoted wrapping member adapted to contact with the wrapper to fold one end of it over the article, provided with an aperture whereby the folded end of the wrapper may be supplied with adhesive material without removing the wrapping member from the wheel, and means for supplying such material through the aperture, comprising a swinging pasting roll, and means whereby it may be intermittently swung between the aperture and a source of adhesive material, comprising a connecting rod, a cam, and a shaft rotating in unison with the continuously rotating wheel.

Witness my hand this 27th day of May, 1908, at the city of Elgin, in the county of Kane, and State of Illinois.

ALBERT M. PRICE.

Witnesses:
T. S. HUNTLEY,
M. A. SHULTZ.

4382
4374

A. M. PRICE.

SHEET GATHERING MACHINE.

APPLICATION FILED NOV. 22, 1909.

Patented July 26, 1910.

965,598.

5 SHEETS—SHEET 1.

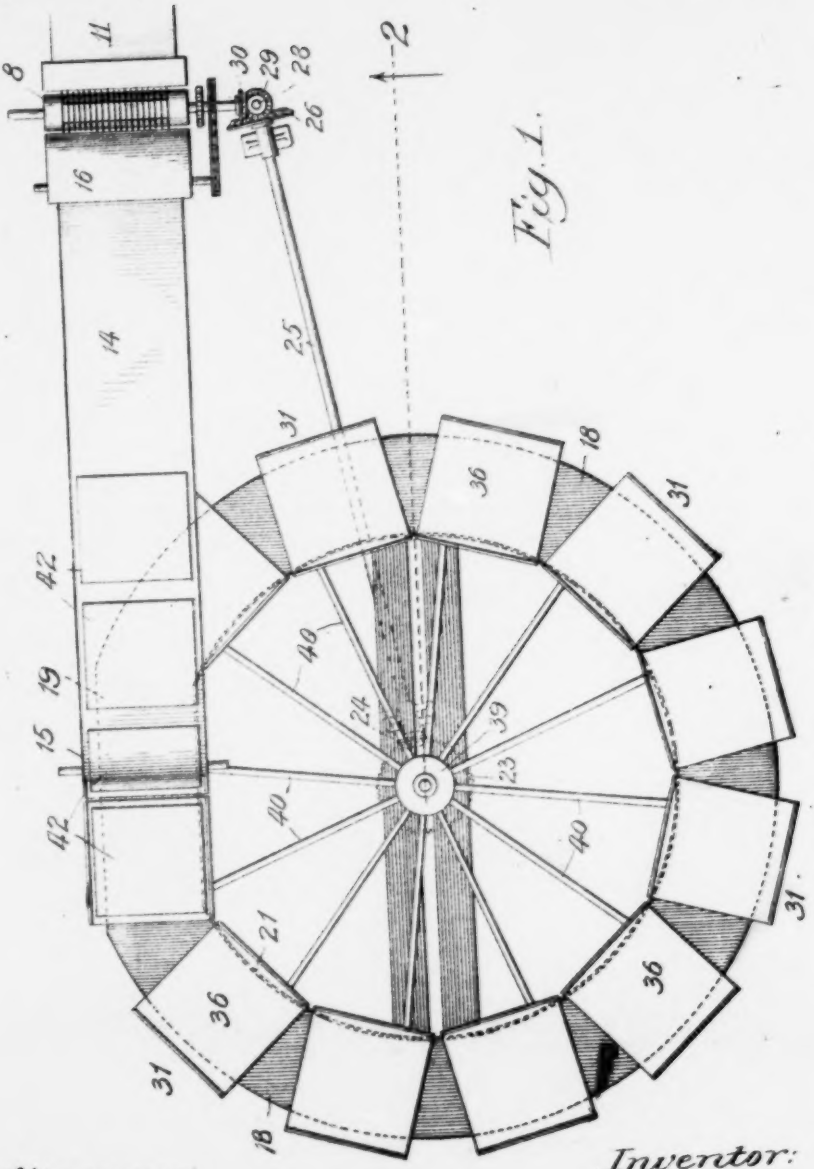


Fig. 1.

Witnesses:
John Ende
Chas. H. Buell.

Inventor:
Albert M. Price.
By Dyrenforth, Lee, Chrisman & Miller
Attys.

4375

4384
~~4376~~

A. M. PRICE.

SHEET GATHERING MACHINE.

APPLICATION FILED NOV. 22, 1909.

965,598.

Patented July 26, 1910.

5 SHEETS—SHEET 2.

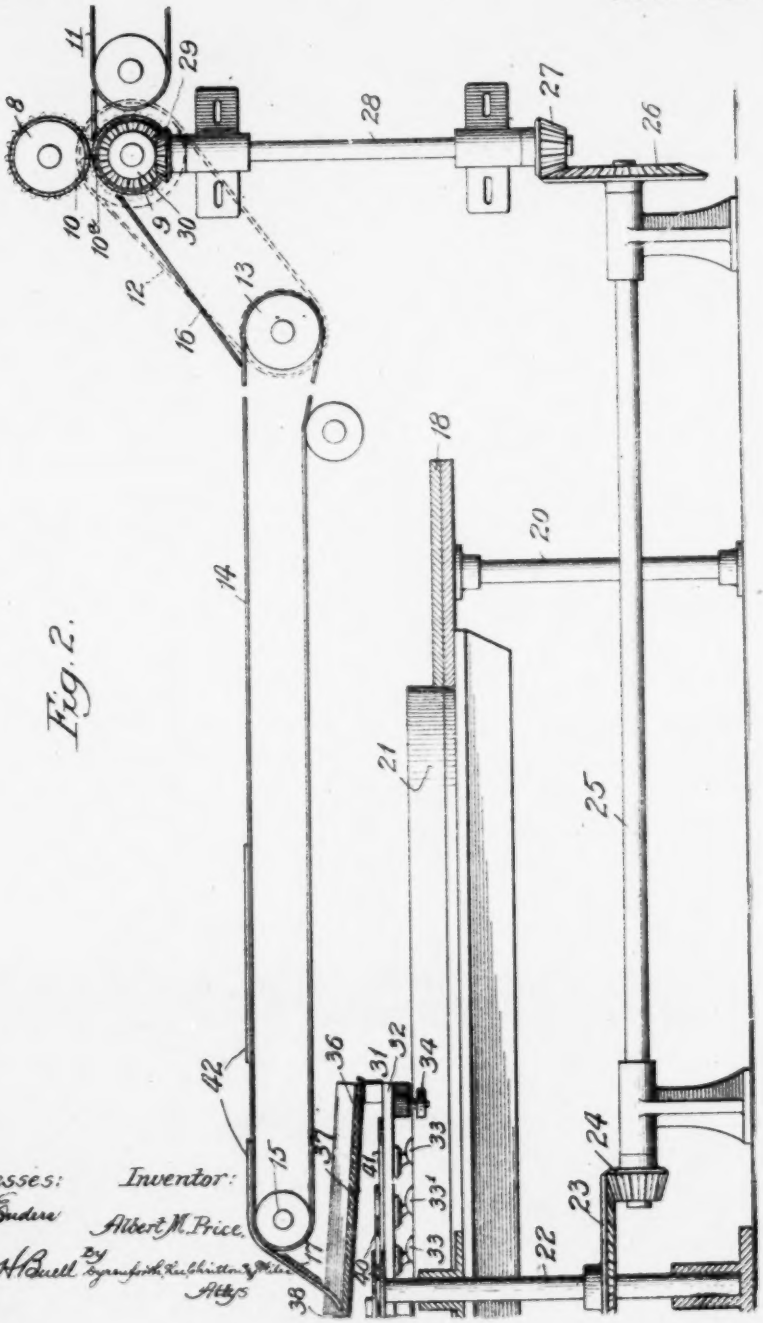


Fig. 2.

Witnesses:
John E. Endure
Geo. H. Buell

Inventor:
Albert M. Price,
By Dyer, Brownell, Hall, Chilton & Pollard
Attys

4385
~~4377~~.

4386
4578

A. M. PRICE.

SHEET GATHERING MACHINE.

APPLICATION FILED NOV. 22, 1909.

965,598.

Patented July 26, 1910.

5 SHEETS—SHEET 3.

Fig. 3.

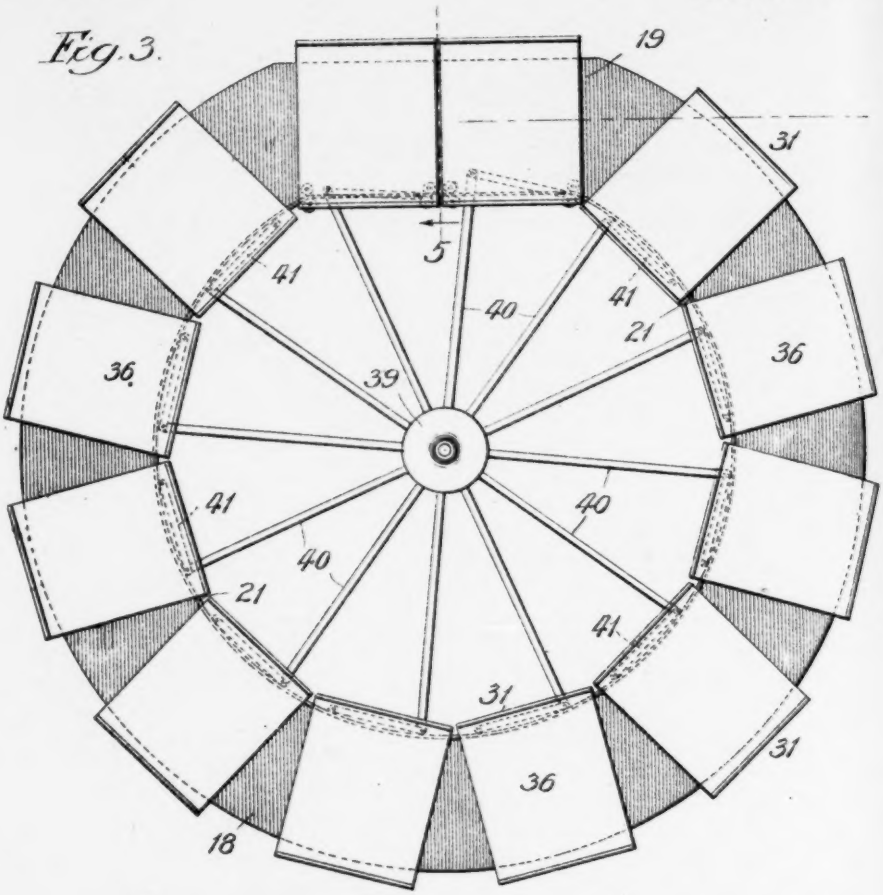
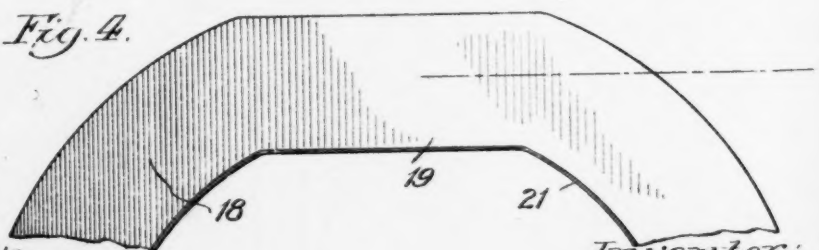


Fig. 4.



Witnesses:

John Enders.

Chas. H. Bull.

Inventor:

Albert M. Price,

By Dyrenforth, Lee, Chritton & Wiles.

Attys.

4387
~~4379~~

4388
~~4389~~

A. M. PRICE.

SHEET GATHERING MACHINE.

APPLICATION FILED NOV. 22, 1909.

965,598.

Patented July 26, 1910.

5 SHEETS—SHEET 4.

Fig. 5.

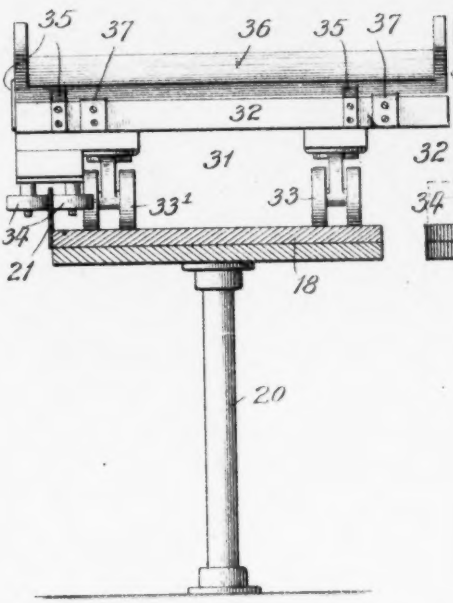


Fig. 6.

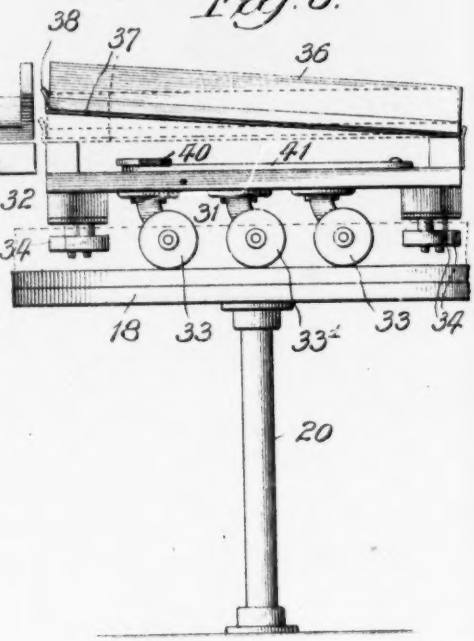
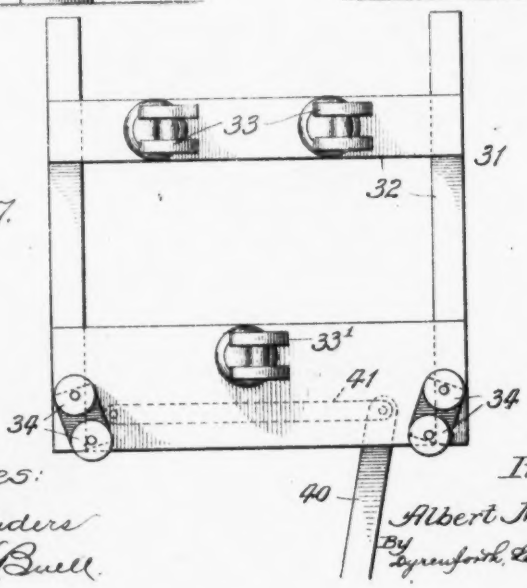


Fig. 7.



Witnesses:

John Enders

Chas. H. Buell.

Inventor:

Albert M. Price.

By Lyon, Lyon, Lee, Chrittenden & Miller,

Attys.

4389
~~4381~~

-4390
~~4382~~

A. M. PRICE.

SHEET GATHERING MACHINE.

APPLICATION FILED NOV. 22, 1909.

965,598.

Patented July 26, 1910.

5 SHEETS—SHEET 5.

Fig. 8.

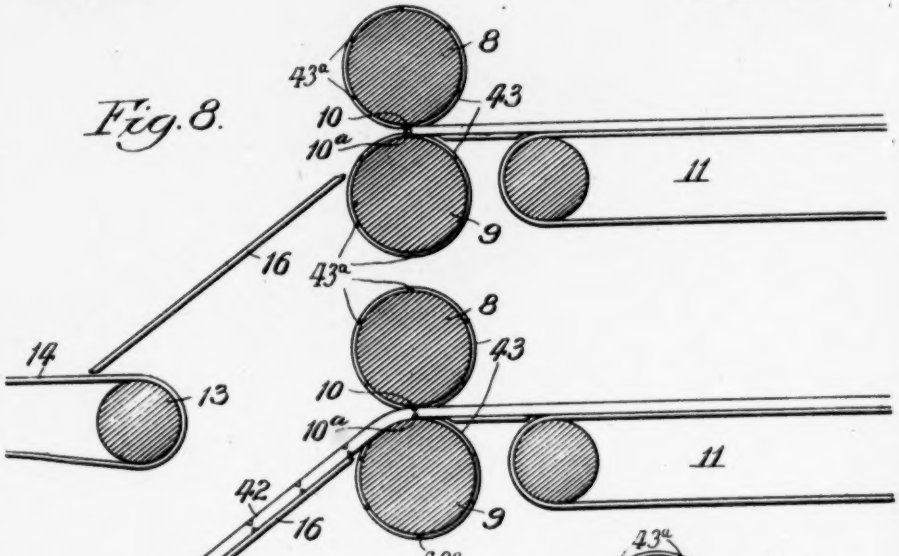


Fig. 9.

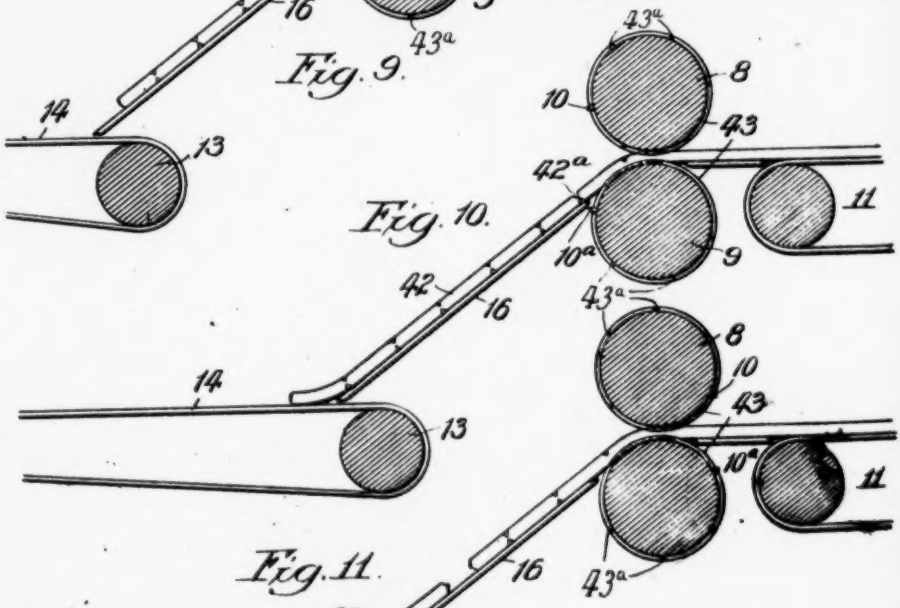


Fig. 10.

Fig. 11.

Witnesses:
John Enders
Chas. H. Bull

Inventor:
Albert M. Price.
By Dyrenforth, Lee, Chritton & Wilson
Attys

4391
4353

UNITED STATES PATENT OFFICE.

ALBERT M. PRICE, OF ELGIN, ILLINOIS, ASSIGNOR TO ZENO MANUFACTURING COMPANY, OF CHICAGO, ILLINOIS.

SHEET-GATHERING MACHINE.

965,598. Specification of Letters Patent. Patented July 26, 1910.

Application filed November 22, 1909. Serial No. 529,253.

To all whom it may concern:

Be it known that I, ALBERT M. PRICE, a citizen of the United States, residing at Elgin, in the county of Kane and State of Illinois, have invented a new and useful Improvement in Sheet-Gathering Machines, of which the following is a specification.

My invention relates to an improvement in machines for gathering sheets, whereby they shall be gathered automatically in stacks or piles at points presented in succession to the point of delivery to them of the sheets.

In the accompanying drawings—Figure 1 is a plan view of my improved gathering-machine in the preferred form of embodiment of my invention; Fig. 2 is an enlarged section taken approximately on the line 2, Fig. 1, but showing only one of the series of gathering-cars; Fig. 3 is a plan view, enlarged over the scale observed in Fig. 1, of the stationary car-supporting gathering table, showing its straight section and, by dotted representation, certain details of construction; Fig. 4 is a broken plan view of the table showing its straight section; Fig. 5 is an enlarged section on line 5, Fig. 3, showing one of the cars in end elevation; Fig. 6 is a broken view in side elevation of the table and a car surmounting it; Fig. 7 is a bottom plan view of one of the similar cars, showing by dotted lines its link-connection with an arm, shown broken away, through the medium of which the car is driven; and Figs. 8, 9, 10 and 11 are enlarged views in longitudinal sectional elevation, the section being taken through the cutting and scoring rolls and through the sheet-delivering means at opposite sides thereof, shown in Fig. 2, these views illustrating progressively the action of the rolls in partially severing a sheet of gum, or the like, and the action of the delivery from the rolls in completing the severance.

While my improved machine is adaptable to gathering into orderly piles, from a proper delivery, sheets of any material, whether of paper, metal, cloth, candy, cement, or the like, I have especially devised it as an attachment to coöperate with the sheet-scoring, cutting and delivery mechanisms employed in the manufacture of chewing-gum in sticks; and for convenience in explanation the description hereinafter contained is confined to that application of my invention.

In the manufacture of chewing-gum, as the practice has come under my observation, the mixed ingredients, in dough-like condition, are fed through a hopper between sheeting-rolls, from which the gum passes, in a continuous sheet upon an endless traveling apron, between a pair of scoring and cutting rolls. The surfaces of these last-named rolls are adapted to score the sheets into stick-defining sections of uniform size, to adapt the sheet to be readily broken up, when sufficiently dry, into sticks, which are prepared for the market by wrapping and boxing them. Prior to the use of my invention, the practice prevailed of delivering the scored sheets upon suitable trays in the hands of employees, of whom a large number were required in constant attention upon the delivery; but my present machine has enabled all such employees to be dispensed with.

The coöperating scoring-rolls 8 and 9, hereinbefore referred to, and which carry similar coöperating cutters 10 and 10^a, are adapted to receive the sheet from continuous-sheet delivery, indicated at 11, the roll 9 being suitably geared, as represented at 12 in Fig. 2, to a roller 13 at one end of an endless sectional-sheet-conveying belt 14, the forward end of which passes about a roller 15, the gearing being such (see Fig. 2) as to cause this belt to travel at a somewhat higher rate of speed than the scoring-rolls. An inclined guide-board 16 directs the severed sheets, as they come from the rolls 8 and 9, upon the apron 14, which delivers them, in uniformly spaced succession, at its forward end, from which they pass over a suitably inclined stationary guide-board 17. Coöperating with the parts thus described is a table 18 surrounded by or affording a circular track containing a straight section to register and aline with the sheet-delivery, the table serving to carry traveling cars upon which the sheets are delivered in succession. The table 18, as shown, is annular and circular except for a straight section 19. It is supported at intervals on vertical posts 20 in position to extend horizontally with its straight section

4392

lying underneath and parallel with the delivery-end portion of the apron 14; and about the inner edge of the annulus extends and conforms thereto a vertical car-guiding flange 21. At the center of the table is provided, in suitable bearings (Fig. 2), a vertical rotary shaft 22 which may be driven from the scoring-roll 9 by suitable gear-connection therewith, that shown (most clearly in Fig. 2) comprising a beveled gear 23 on the shaft 22, with which meshes a beveled pinion 24 on one end of a suitably journaled horizontal shaft 25 carrying on its opposite end a beveled gear 26 engaged by a beveled pinion 27 on the lower end of a suitably-journaled vertical shaft 28, which carries on its upper end a beveled pinion 29 in driven engagement with a beveled gear 30 on the shaft of the roll 9. Similar tray-carrying cars, or carriages, 31, of the preferred construction hereinafter described, are caused to travel upon the table in succession and in timed relation to the delivery, in a circular path except as to the straight section, which they are caused to follow for the purpose hereinafter explained. The car consists of a rectangular body-portion, or frame, 32 carrying on its under side, near the outer edge, two similar pairs of swiveled caster-wheels 33 at a suitable distance apart and alining with each other, and in a plane midway between the pairs of wheels 33, and near the outer edge of the frame, a single swiveled pair of caster-wheels 33'. The car runs on these wheels upon the table. From each of the two opposite corners of the inner end of the car-frame depends a pair of fixed guide-rollers 34 spaced apart to admit between them the flange 21, which they embrace; and flanges, or stops, 35 project upwardly at the sides of the frame to hold in place and assist in guiding thereto a rectangular tray 36 in loading it upon the car. A pair of similar leaf-springs 37, affording a tray-seat, extend parallel with each other across the top of the car-frame, each being secured at one end and normally inclining upwardly toward its opposite free end at the advance side of the car, where it terminates in a stop-flange 38. The purpose of seating a tray on these springs is hereinafter explained. To drive the cars about the table, each is connected with a head 39 on the shaft 22 by a rigid arm 40 extending radially from the head and pivotally connected, at its outer end, with the free end of a link 41 pivoted at its opposite end to the bottom of the car-frame near the inner side of the latter. Twelve cars are shown to be provided on the table, but the number may be greater or smaller, though the size of the table should be such as to be filled by the number of cars employed when extending, as they do, radially on the circular portion of their support with their inner corners in close proximity to each other. Upon the seating-springs 37 on each car is removably supported a tray 36 conforming in shape to and being in area somewhat less than that of the car on which it seats but greater than that of a sheet of gum, indicated at 42 in Fig. 2, to be gathered.

With the sheet-scoring and cutting, and sheet-delivery mechanisms in motion, the shaft 22 is driven to turn the arms 40 and thereby drive the cars about the table 18 in a path defined by the flange 41, which, by engagement therewith of the rollers 34, guides the movement of the cars. The operations are so timed that as a car passes, at its advance-end, beyond the corresponding end of the delivery-apron 14, the foremost of a series of the severed sheets of gum 42 on that apron will have been fed across the guide-plate 17 sufficiently far to extend the advance-end of the sheet into the adjacent spring-elevated end of the tray on that car, by the continued movement of which the sheet is spread upon the bottom of the tray. Thus the car-carried trays receive, in succession, a sheet of the gum from the delivery 14; and in each succeeding passage of a car beyond the advance-end of the delivery-apron it receives an additional sheet of the gum, spread in an orderly manner onto its tray upon the preceding sheet, until the trays become adequately filled, in succession, each with a pile or stack of the gum-sheets, when they are removed, in that succession, from the cars by an attendant or attendants and replaced by empty trays. The delivery to a car is effected while it is running on the straight section of the table, which extends parallel with the delivery, the path being, in the illustrated embodiment of the invention, defined by the flange 21; and this manner of delivery is an important feature of my improvement, since unless the track or path extends thus the sheets will not only fail of orderly piling upon their gathering-trays, but they will be warped and twisted in their delivery to the trays and become torn and broken. The deflection in the course of the cars at the straight section 19 is made possible by their flexible, or link, connection with the driving-arms 40.

The tension of the springs 37 is so gaged as to cause them to resist depression under the weight of an empty tray 36, but to be overcome more and more as the tray becomes loaded with successive sheets 42. This is an important provision, that is to say, the provision of a tray-seat depressible for the gaging purpose hereinafter described, inasmuch as it renders practically uniform the distance a sheet must move across the plate 17 to reach the surface presented to it in a tray, which distance would become less and less with accretion of the sheet-pile and thus cause the advance-end of each succeeding

sheet to meet that surface sooner and thereby impair the regular spreading of the sheets one upon the other. Such irregularity is avoided by causing the progressive depression of the seating-springs to present approximately the same distance from the advance-end of the sheet-delivery notwithstanding the increasing height of the pile of sheets in the trays.

It will be observed, upon reference to Figs. 8 to 11, inclusive, in connection with the following explanation, that the cutters 10 and 10ª do not meet to entirely sever the continuous sheet of gum as it passes between them from the delivery 11. They are of slightly greater height than the circumferential and longitudinal scoring-knives 43 and 43ª on the rolls, but insufficiently high to cut entirely through the sheet, whereby they leave the partially severed sheet 42 united to the continuous sheet by a thin web 42ª (Fig. 10). This is to avoid tendency of the advance-end of the continuous sheet to adhere to the scoring-roll 9 and follow it about, when it would encounter the rear end of the guide-plate 16 and disorganize the operation of the machine. By leaving the partially-severed sheet thus attached, in moving across the plate 16 upon the apron 14, it lifts the advance-end of the continuous sheet over the receiving-end of the guide-plate; and since the apron 14 travels at a somewhat greater rate of speed than the rolls 8 and 9, to space upon it uniformly the sheets 42 from each other, the frictional action of the apron upon the severed sheet will exert upon it sufficient drag to pull it apart, at the web 42ª, from the advance-end of the continuous sheet.

What I claim as new, and desire to secure by Letters Patent, is—

1. In a machine of the character described, the combination of a sheet-delivery device and automatic means for receiving therefrom a sheet, conveying the sheet through an endless path and presenting the sheet repeatedly to said device in proper time for successive sheets to be deposited therefrom upon the first.

2. In a machine of the character described, the combination of a sheet-delivery device and automatic means for gathering sheets therefrom one by one and in succession and carrying them in separated relation to each other through an endless path and presenting the sheets so gathered in order to said delivery-device in proper time for each sheet so conveyed to receive upon it in order another sheet.

3. In a sheet-gathering machine, the combination with sheet-delivery means, of automatic sheet-gathering means and means for moving the same continuously in a path past the delivery-end of said delivering-means, to take from said end sheets in succession at intervals in said path and retain them in the circuit for presentation repeatedly to said end for the accumulation therefrom of sheets in piles.

4. In a machine of the character described, the combination of sheet-cutting rolls, a sheet-delivery device moving at a higher rate of speed than said rolls and cooperating therewith to receive sheet-material passed between them, and means operating to receive from said device a sheet, convey the same through an endless path and present the same repeatedly to said device in proper time for successive sheets to be deposited therefrom upon the first.

5. In a sheet-gathering machine, the combination with sheet-delivering means, of an endless car-path in substantially the same horizontal plane with said sheet-delivering means, and having a straight section extending beneath the delivery-end of said means, cars movable on said path, and means operating to move the cars thereon continuously during the progress of delivery from and toward said straight section and on the latter past said delivery-end, for the purpose set forth.

6. In a sheet-gathering machine, the combination with sheet-delivering means, of an endless car-path in substantially the same horizontal plane with said sheet-delivery means and having a curved section and a straight section, the latter extending beneath the delivery-end of said means, cars movable on said path, and means operating to move the cars about said curved section and along said straight section past said delivery-end, for the purpose set forth.

7. In combination, a pair of sheet-cutting rolls coöperating to partially sever a sheet passing between them, sheet-delivering means coöperating with said rolls to receive sheet-material passed between them and complete the severance of the sheet, and sheet-gathering means moving in a continuous path past the delivery-end of said delivering-means to receive therefrom the sheets and form successive piles thereof by repeated movements of the gathering means past said end, for the purpose set forth.

8. In combination, a pair of sheet-cutting rolls coöperating to partially sever a sheet passing between them, sheet-delivering means moving at a higher rate of speed than said cutting-rolls and coöperating therewith to receive sheet-material passed between them and complete the severance of the sheet, and sheet-gathering means moving in a continuous path past the delivery-end of said delivering means to receive therefrom the sheets and form successive piles thereof by repeated movements of the gathering-means past said end, for the purpose set forth.

9. In a sheet-gathering machine, the com-

bination with sheet-delivering means, of a stationary table in the same horizontal plane with said sheet-delivering means and having a circular-path-forming section and a straight-path-forming section extending beneath and parallel with the delivery-end of said sheet-delivering means, cars movable on the table, and means for guiding the cars along said path-sections, for the purpose set forth.

10. In a sheet-gathering machine, the combination with sheet-delivering means, of a circular table substantially horizontal throughout having a straight section extending beneath and parallel with the delivery-end of said means, cars movable on the table, and means for guiding the cars in a circular path about said circular section and in a straight path along said straight section, for the purpose set forth.

11. In a sheet-gathering machine, the combination with sheet-delivering means, of an annular table substantially horizontal throughout having a circular section and a straight section extending beneath and parallel with the delivery-end of said means, cars movable on the table, and means for guiding the cars in a circular path about said circular section and in a straight path along said straight section, for the purpose set forth.

12. In a sheet-gathering machine, the combination with sheet-delivering means, of a table extending, as to a section thereof, beneath the delivery-end of said means, a guide-flange extending in a partial circle partway about said table and having a straight section extending underneath and parallel with said delivery-end, and cars movable on the table and provided with guide-rollers engaging said flange, for the purpose set forth.

13. In a sheet-gathering machine, the combination with sheet-delivering means, of an annular table extending, as to a section thereof, beneath the delivery-end of said means, cars movable on the table, means for guiding the cars in a circular path toward and from said delivery-end but past the same in a straight section of said path parallel with said end, a rotary shaft at the center of the table, and arms radiating from said shaft and flexibly connected at their outer ends with the cars, for the purpose set forth.

14. In a sheet-gathering machine, the combination with sheet-delivering means, of an annular table extending, as to a section thereof, beneath the delivery-end of said means, cars movable on the table, means for guiding the cars in a circular path toward and from said delivery-end but past the same in a straight section of said path parallel with said end, pivoted links on the cars, a rotary shaft at the center of the table, and arms radiating from said shaft and pivotally connected at their outer ends with the free ends of said links, for the purpose set forth.

15. In a sheet-gathering machine, the combination with sheet-delivering means, of a table extending, as to a section thereof, beneath the delivery-end of said means, cars movable on the table and provided with depressible tray-seats, and means for guiding the cars in a circular path toward and from said delivery-end but past the same along a straight section of said path parallel with said end, for the purpose set forth.

16. In a sheet-gathering machine, the combination with sheet-delivering means, of a table extending, as to a section thereof, beneath the delivery-end of said means, cars movable on the table and provided with spring tray-seats, and means for guiding the cars in a circular path toward and from said delivery-end but past the same along a straight section of said path parallel with said end, for the purpose set forth.

17. In a sheet-gathering machine, the combination with sheet-delivering means, of a table extending, as to a section thereof, beneath the delivery-end of said means, cars movable on the table and provided with tray-seating leaf-springs fastened at their outer ends to the rear sides of the cars to extend their free ends toward the opposite sides thereof, and means for guiding the cars in a circular path toward and from said delivery-end but past the same along a straight section of said path parallel with said end, for the purpose set forth.

ALBERT M. PRICE.

In presence of—
CHAS. E. GAYLORD,
RALPH SCHAEFER.

4396

C. BARBIERI.

SHEET MAKING MACHINE.

APPLICATION FILED APR. 16, 1908.

968,109.

Patented Aug. 23, 1910.

3 SHEETS—SHEET 1.

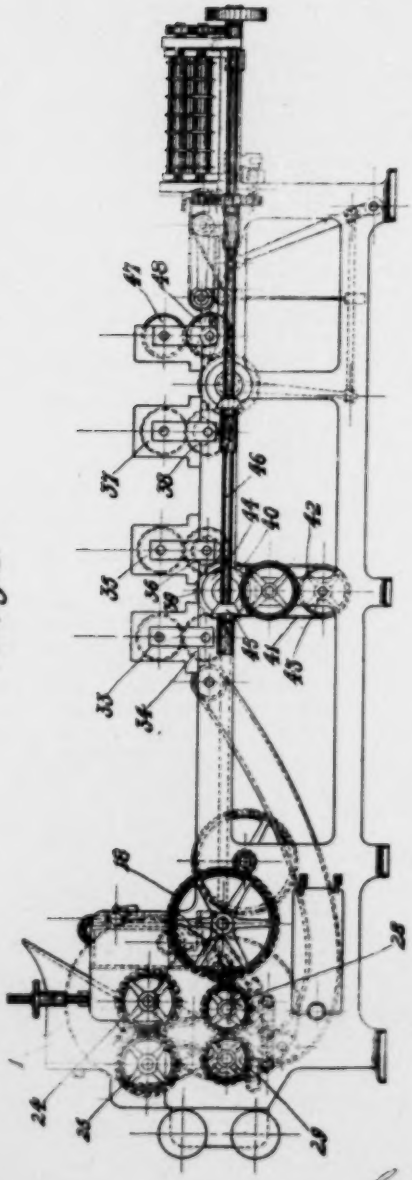


Fig. 1.

WITNESSES

J. C. Bradley

Archwood & Martino

INVENTOR

Cesare Barbieri

by atty

Symmes Hurdt & Carpenter

4398

C. BARBIERI.

SHEET MAKING MACHINE.

APPLICATION FILED APR. 16, 1908.

968,109. Patented Aug. 23, 1910.

2 SHEETS—SHEET 2.

Fig. 2.

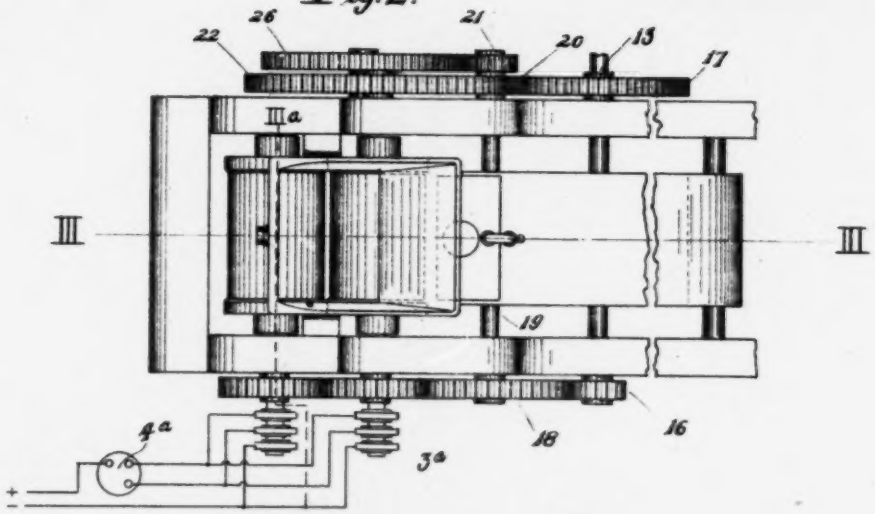


Fig. 3.

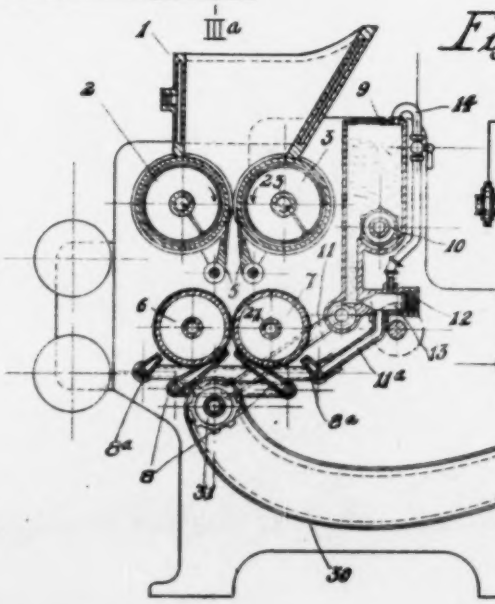
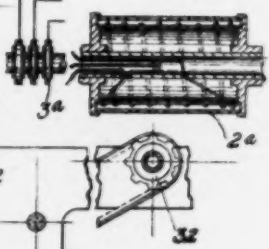


Fig. 3a



WITNESSES

J. C. Bradley

Archibald Martin

INVENTOR

Cesare Barbieri

by attys

Symmestedt & Carpenter

4399

4400

C. BARBIERI.

SHEET MAKING MACHINE.

APPLICATION FILED APR. 16, 1909.

968,109.

Patented Aug. 23, 1910.

3 SHEETS—SHEET 3.

Fig. 4a.

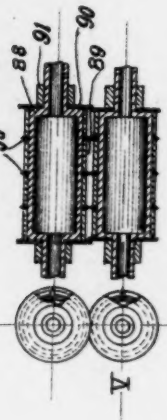


Fig. 6.

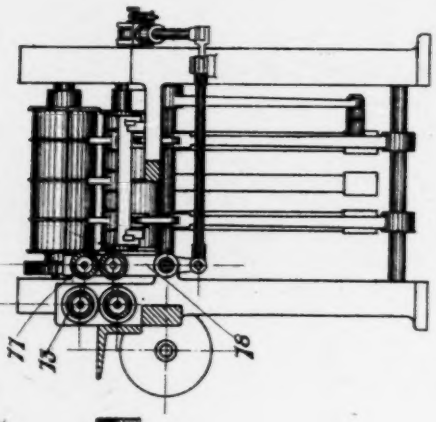


Fig. 4.

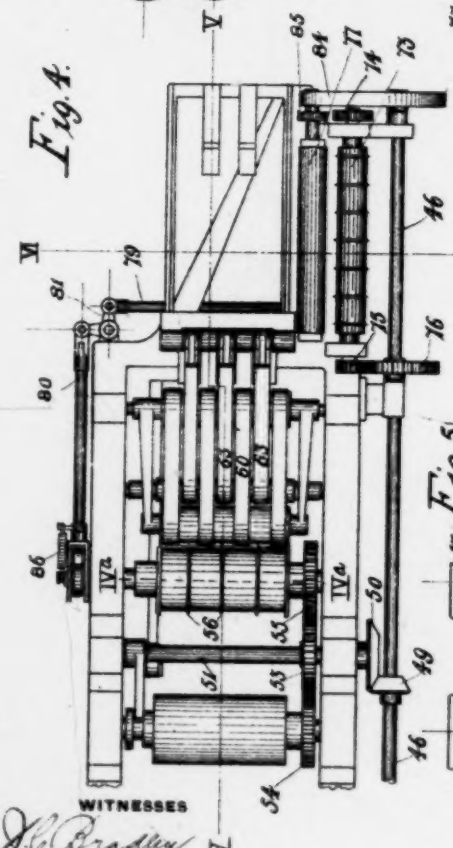
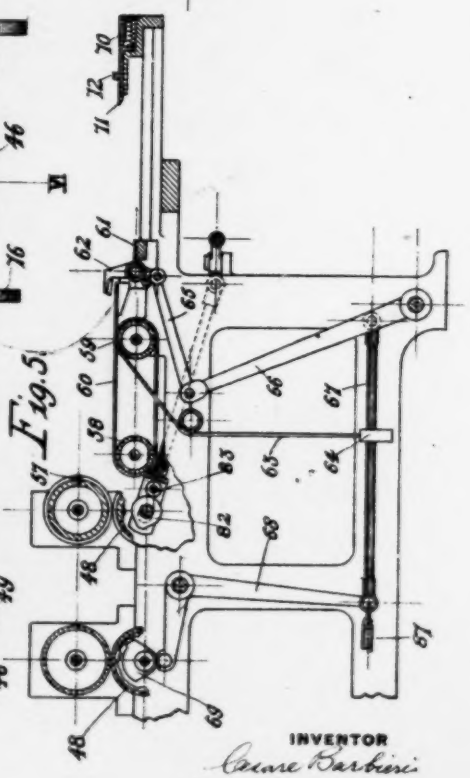


Fig. 5.



WITNESSES

J. C. Bradley

Duckworth & Martin

INVENTOR

Cesare Barbieri

by atty

Symmes Bradbury & Carpenter

UNITED STATES PATENT OFFICE.

CESARE BARBIERI, OF CHICAGO, ILLINOIS, ASSIGNOR TO BARBIERI & DELLENBARGER COMPANY, OF CHICAGO, ILLINOIS, A CORPORATION OF ILLINOIS.

SHEET-MAKING MACHINE.

968,109. Specification of Letters Patent. Patented Aug. 23, 1910.

Application filed April 16, 1908. Serial No. 427,402.

To all whom it may concern:

Be it known that I, CESARE BARBIERI, a subject of the King of Italy, residing in the city of Chicago, in the State of Illinois, have invented certain new and useful Improvements in Sheet-Making Machines, of which the following is a specification.

This invention relates to machines for forming and handling sheets generally, and more particularly to the forming and handling of sheets from resinous, gummy, sticky material and plastic substances such as gum chicle, gum caoutchouc, caramel, chocolate, taffy, cake and biscuit dough, and other confectionery and bakery goods, and the like, which under working conditions are sticky or both sticky and elastic.

It relates especially to machines for forming, handling and cutting by mechanical means, commercial sizes of sticks of gum chicle, colloquially known as chewing gum.

The principal objects of my invention are to produce sheets and sticks of gum chicle, mechanically, and particularly to produce continuous sheets of uniform thickness, width, consistency and weight, and without necessity of manual contact therewith by any person engaged in such production; to reduce the time required for such production and consequently cheapen the cost of production and enlarge the amount possible for a factory to produce; to produce sheets and sticks of more even and homogeneous texture and more uniform dimension, density and finish, and hence an article more merchantable; to improve by the use of machinery the conditions of hygiene under which such sheets are formed and finished, and thereby to preserve as far as possible the purity of the material and avoid the entrance of foreign matter into the sheets and any danger of contamination or infection thereof ensuant from hand manipulation.

As heretofore made, chewing gum has been manipulated largely by hand. The various processes and the steps incident to manufacture have necessitated that each sheet be subject to the operation of a considerable number of people. Such manufacturing has been conducted necessarily in order to maintain the sheets in plastic condition, under conditions of high temperature, and much to be desired in the way of hygienic conditions it has been impossible to attain, owing to the fact that it has not been found commercially possible to make and cut the sheets of gum by machinery and without manual processing, nor to produce continuous sheets.

To attain the objects above set forth and to overcome the objections stated, I have provided a machine, a preferred form of which is shown in the accompanying drawings, wherein:—

Figure 1 is a side elevation of a machine embodying my inventions, Fig. 2 is a plan view of that part of the machine shown at the left of Fig. 1, Fig. 3, which is an elevation to illustrate the reservoir for the material, the means for heating such reservoir, the take-up rolls, forming knives, and pneumatic powdering apparatus, and cooling apparatus, and conveyer, all to be hereinafter more fully described, Fig. 3^a is a central longitudinal section of one of the forming rolls, taken on the line III^a—III^a of Fig. 2 to illustrate a supplemental heating means, Fig. 4 is a plan view of that part of the machine shown at the right of Fig. 1, Fig. 4^a is a central longitudinal section taken on the line IV^a—IV^a of Fig. 4, the mode of assembling cutting rolls, Fig. 5, which is an elevation to illustrate the reducing rolls, longitudinal cutter rolls, and severing blade, sheet-stopping and shifting mechanism, all to be hereinafter more fully described, and Fig. 6 is an elevation partly in section taken on the line VI—VI of Fig. 4, to illustrate the shifting and gripping mechanisms for handling the sheets preparatory to giving them the transverse cuts, and the transverse cutter rolls, whereby the small sticks are finally formed

The machine in its complete and preferred form comprises a series of sets of mechanism through which the material being formed progresses continuously and finally is formed into small sections suitable for wrapping. Briefly stated these sets of mechanisms may be enumerated as follows, (1), the receptacle for receiving the hot or moist plastic mass to be formed into a sheet, (2), mechanisms for preliminarily forming the sheet and, if desired, powdering it preliminary to the subsequent operations, (3), a conveyer for carrying the sheet a certain distance laterally and delivering it to a set of forming mechanisms, (4), forming mechanisms for reducing the sheet in thickness as it progresses therethrough, (5) mechanisms

for slitting the sheet longitudinally and transversely to form small sections of the desired proportions.

Referring to Figs. 2 and 3, which show the receiving and preliminary forming mechanism most clearly, 1 is the receiving hopper into which the hot moist or soft plastic material is placed and is preferably made hollow walled in order to provide a jacketing for the mass whereby the temperature and consistency thereof may be regulated by a steam or hot water circulation or other heating apparatus, 2 and 3 are feeding-rolls rotated in the directions indicated by the arrows, and are provided with regulable heating means, here shown as a divided resistance coil 2^a, the unequal sections of which are so arranged with relation to the commutator 3^a and switch 4^a that the heat of the rolls may be regulated as desired, 5 5 are knife like cutters or removing devices which are held with their edges engaging the surfaces of the rolls 2 and 3, the said cutters 5 being adapted for yielding engagement with the rolls 2 and 3 when the nature of the material acted upon requires a scraping action, 6 and 7 are forming rolls adapted to smooth and compress, and, if desired, to reduce in thickness the sheet as it passes downward from the rolls 2 and 3, the said rolls 6 and 7 being provided with a non-conducting surface such as enamel when externally cooled as here illustrated, whereas they should be formed of a highly conducting material such as steel or copper if internally cooled as may in some instances be desirable, 8 are nozzles for supplying powder to the rolls and to the sheet of material in order to prevent the sheets from sticking to the parts through which it passes. Powder is supplied to the nozzles from the tank 9, which tank is provided with a feeding roller 10, and is connected to the nozzles by means of a tube 11. Air is supplied to the connection 12 for forcing the powder out, which air pressure enters the tank 9 through the passage 13 adjacent the outlet of the tank and through the passage 14 leading to the top of the tank, which arrangement insures a proper feed of the material. Air may also be taken from the connection 12 by the pipe 11^a having the nozzles 8^a for the purpose of regulating the temperature of the rolls 6 and 7, and to this end may be cooled or heated by any ordinary means, as circumstances may require. The manner in which the rotating rolls and other parts as just described, are driven, is unimportant, but will be seen by referring to Figs. 1 and 2, wherein 15 is the drive shaft carrying the gears 16 and 17. The gear 16 drives the gear 18 carried by the shaft 19, which shaft 19 also carries at its other end the loose gear 20 and the gear 21 which is keyed to the shaft 19. The gear 20 drives the large gear 22 carried by the shaft 23 which also carries the roller 3. This shaft 23 carries at its other end the gear 24 meshing with the gear 25 carried by the shaft of the other roller 2, so that the rollers 2 and 3 rotate in unison. The gear 21 engages the gear 26 carried by the shaft 27 of the roller 7, and the other end of this shaft 27 carries the gear 28 meshing with the gear 29 carried by the shaft of the roller 6 so that the rollers 6 and 7 are geared to rotate in unison.

After the forming of the sheet in the rollers 2, 3, 6 and 7, such sheet descends upon the conveyer belt 30, which conveyer belt is carried over the sprockets 31 and 32 by means of a sprocket chain secured to the inner side of such belt. This conveyer belt is preferably made of considerable length so that the sheet of material in passing thereover has sufficient time to cool, dry or harden somewhat before arriving at the forming mechanism, which cooling or drying is useful in making the sheets of some materials in order that they may be more firm.

Three sets of rolls are provided for thinning the sheets preliminary to cutting, namely, the rolls 33, 34, the rolls 35—36, and the rolls 37—38. The rolls of each pair are provided with spur gears for causing them to rotate in unison, and the gears 34 and 36 are engaged by a spur drive gear 39 carried by a shaft 40 driven by the belt 41, which belt 41 is driven from the pulley 42 carried by the drive shaft 43. The shaft 40 extends transversely across the machine and carries at its end the bevel gear 44, which engages the bevel gear 45 carried by the shaft 46. The means whereby this shaft 46 drives the rolls 37, 38, and the slitting rolls 47, 48, is shown most clearly in Fig. 4 of the drawing, from which it will be seen that the shaft 46 carries a bevel gear 49 meshing with the gear 50 carried by the transverse shaft 51. The shaft 51 carries the gear 53, which drives the gears 54 and 55 carried by the shafts of the rolls 38 and 48, and these gears 54 and 55 engage corresponding gears upon the upper rollers 37 and 47, whereby each pair of rolls is driven in unison. The slitting rolls 47 and 48 are provided with a plurality of opposing cutters 56 adapted to slit the sheets of material into a plurality of long strips, and each of these rolls is in addition provided with a transverse cutting-off knife 57 for severing the continuous sheet into sections substantially equal in length to the circumference of the rolls 47 and 48.

The means for transferring the slitted sheets and cutting them transversely constitutes an important feature of my invention and will be next described, reference being had particularly to Figs. 4, 5, and 6. Referring to these figures, 58 and 59 are a

pair of pulleys or rolls carrying a plurality of spaced endless belts 60, 61 is a reciprocatory frame provided with a plurality of oscillatory gripping fingers 62, 63 are a plurality of belts each secured at its upper end to the frame 61, and at its lower end provided with a weight 64, which belts pass over the roller 59 intermediate the endless belts 60, the parts 65, 66, 67 and 68 constitute means for operating the gripping fingers 62 to engage the front edge of a sheet of material and to carry such sheet to the right, and 69 is a cam carried by the shaft of the roller 49 for operating the link mechanism just referred to. In order to properly position the sheet when it is brought forward by the gripping fingers 62, the spring held stop members 70 are provided, each of which members has a portion 71 for passing under the edge of the sheet of material and an upstanding member 72 for engaging and stopping the edge of the sheet of material. In order to slit the sheets laterally, the slitting rolls 73 are provided, which slitting rolls are geared together by means of the gears 74 and are driven from the shaft 46 by means of the gears 75 and 76. The sheet which has been brought up against the stop 70 is fed laterally to the slitting rolls 73 by means of the gripping rollers 77, which rolls are adjacent the edge of the sheet of material and are pivotally mounted on arms 78 as indicated in Fig. 6, whereby they may be moved inward a sufficient distance to grip the edge of the sheet. The arms 78 carrying the ends of the gripping rolls 77 are operated by means of the connecting rods 79 and 80, the crank 81 and the cam 82 secured to the shaft of the roller 48 and engaging the roller 83 on the rod 80. By this means the pair of gripping rollers 77 are intermittently swung forward sufficiently to grip the edge of the sheet of material. The rolls are rotated by means of the belt 84 engaging pulleys on the ends of one of the rolls and the shaft 46, the rolls being geared together by means of the spur gears 85. Springs 86 and 87 are provided to hold the roller 83 against the cam 82 and to hold the end of the member 68 in engagement with the cam 69. No reference has been made as to the adjustability of parts, but it will be understood that all rolls and similar parts requiring adjustment are made adjustable as in the ordinary practice of the art wherein such parts are employed.

In Fig. 4ª, I have shown details of the slitting rolls forming part of my invention. It will be noted that the several cutters 56 are mounted upon a mandrel 88 being spaced apart thereupon by the spacing sleeves 89, the several parts being held in position by the locking members 90 and 91. These annular cutters are thus made removable and so may be readily sharpened. It is to be observed that for use in connection with products that require mere marking (as contradistinguished from cutting) of the sheets, my invention is readily adaptable by slight modification.

Briefly stated the operation of the machine is as follows. The hopper 1 is filled with hot, moist or soft plastic material, and is gradually fed therefrom in a comparatively thick sheet by means of the rotation of the rollers 3, the knife like cutters or scrapers 5 bearing against the surface of the rolls and cutting or removing therefrom the material drawn from the hopper by said rolls and adhering thereto, and causing such material to be carried forward in a continuous sheet like form. The sheet thus formed passes through the rollers 6 and 7. The material may be prevented from sticking to any part of the machine with which it engages by virtue of the addition of the powdered material from the nozzles 8, which in this machine I have shown located adjacent the rolls 6 and 7, but which may be located at any desired point on the machine. Passing on to the belt 30 the sheet is transferred upward and laterally to the thinning or forming rolls, the material, if its consistency so requires, being considerably cooled or dried during its passage along the conveyer and therefore in proper condition to be reduced by the sets of rolls 33, 34, 35, 36 and 37—38. The end of the sheet is then carried between the slitting rollers 47 and 48, which rollers partially sever the sheet into a plurality of long strips, which plurality of strips are finally cut off by means of the knife 57. The front edge of the slitted sheets of material is carried forward on the belts 60 to a position beneath the ends of the gripping fingers 62, and the operation of the connections 65, 66, 67 and 68 by the cam 69 causes the ends of the fingers 62 to first grip the edge of the sheet, and then as the movement of the operating means continues, carries such fingers and the frame 61 to the right (Fig. 5) to a position where the front edge of the sheet engages the upstanding stop 72 at which time the fingers 62 release their grip upon the edge of the material because of the shape of the cam 69 which permits the fingers 62 to rise after the highest portion of the cam passes the upper end of the lever 68. At this moment the gripping and feeding rolls 77 are advanced sufficiently to engage the sheet, such advance being occasioned by the operation of the connecting members 79, 80 and 81 by the cam 82. The feeding rollers 77 carry the sheet through the slitting rollers 73 thus cutting the sheet into small pieces. The frame 61 then returns to its former position and the operation is repeated.

Having thus described my invention and

illustrated its use, what I claim as new and desire to secure by Letters Patent is the following:—

1. In a gum machine, a hopper for containing a plastic mass, a pair of spaced rolls for feeding the material from the hopper in a sheet, means for heating the rolls, a second pair of rolls for receiving the sheet, means for cooling the second pair of rolls, a lateral conveyer in position to receive the sheet from the second pair of rolls, and forming rolls in position to receive the sheet from the conveyer.

2. In a gum machine, a hopper for containing a plastic mass, a pair of spaced rolls for taking up the material from the hopper, means for heating the rolls, means for revolving the rolls at substantially the same speed, and a pair of opposing cutters bearing on the rolls for removing the material from the rolls, the said cutters having their edges substantially parallel and substantially tangent to the rolls adjacent their nearest approach.

3. In a machine for forming sheets of gum from a mass of plastic material, a receptacle for the material, means for feeding the material vertically from the lower portion of the receptacle and forming it into a sheet, a conveyer in position to receive the sheet and convey it laterally, additional forming means to which the sheet is carried by the conveyer, and a slitting roller in line with the additional forming means and past which the sheet is fed by the forming means.

4. In a machine for forming sheets of gum from a mass of plastic material, a receptacle for the material, means for feeding the material vertically from the lower portion of the receptacle and forming it into a sheet, a conveyer in position to receive the sheet and convey it laterally, additional forming means to which the sheet is carried by the conveyer, slitting means past which the sheet is fed by the forming means, and automatic means for cutting the sheet transversely to the cuts formed by the slitting means.

5. In a gum machine, means for forming sheet continuously from a mass of material, means for feeding the sheet ahead, a slitting roll provided with a cutting-off means past which the sheet is fed, means for moving the cut off sheet forward, a pair of side slitting rolls and means whereby the cut-off sheet is fed laterally through such rolls.

6. In a gum machine for forming sheets from plastic material, the combination with means for continuously forming the material into a sheet and feeding it ahead, slitting and cutting off means in the line of travel of the sheet for cutting longitudinal slits therein and severing the continuous sheet transversely into sections of limited length, slitting means at the side of the path of travel of the said sections, and means for feeding these sections laterally through such last slitting means.

7. In a machine for forming sheets from plastic material, the combination with means for continuously forming the material into a sheet and feeding it ahead, slitting and cutting off means in the line of travel of the sheet for cutting longitudinal slits therein and severing the continuous sheet transversely into sections of limited length, means for feeding the sections forward, slitting means at the side of the forward position of the sections and means for feeding these sections laterally through such slitting means.

8. The combination in a gum machine, of means for continuously forming a plastic mass into a sheet and feeding it ahead, mechanism for slitting the continuously fed sheet longitudinally and cutting it transversely into lengths, means for intermittently carrying the cut off lengths forward, means for slitting the lengths transversely to the slits already formed located at the side of the forward position of the cut-off lengths, and means for feeding such cut-off sheets laterally past the slitting means.

9. The combination in a gum machine, of means for continuously forming a plastic mass into a sheet and feeding it ahead, mechanism for slitting a continuously fed sheet longitudinally and cutting it transversely into lengths, gripping means for engaging the front edges of the cut-off lengths and pulling them forward, slitting means at the side of the advanced position of the lengths and means for feeding the lengths laterally.

10. The combination in a gum machine, of means for continuously forming a plastic mass into a sheet and feeding it ahead, mechanism for slitting a continuously fed sheet longitudinally and cutting it transversely into lengths, a table for receiving the cut-off lengths and supporting them as they are fed forwardly, comprising a pair of pulleys provided with a plurality of spaced endless belts, a reciprocating frame in front of the front pulley, a plurality of belts each secured at one of their ends to such frame and having their other ends passed over the front pulley and between the first mentioned belts and provided with weights.

11. The combination in a gum machine, of means for continuously forming a plastic mass into a sheet and feeding it ahead, mechanism for slitting a continuously fed sheet longitudinally and cutting it transversely into lengths, of a table for receiving the cut-off lengths and supporting them as they are fed forwardly comprising a pair of pulleys provided with a plurality of

spaced endless belts, a reciprocating frame in front of the front pulley, a plurality of belts secured at one of their ends to such frame and having their other ends passed over the front pulley and between the first mentioned belts and provided with weights, and automatic means for intermittently reciprocating the frame.

12. In a machine for forming sheets from plastic material, a forming roll, an air supply, means whereby the forming roll may be subjected to the action of a blast from the air supply, and additional blast means for supplying powder to the rolls.

13. The combination in a gum machine provided with means for feeding a flat sheet longitudinally, of means for marking the sheet longitudinally, means for cutting off lengths of the sheet, means for intermittently carrying the marked lengths forward, means for marking the lengths transversely of the markings already formed, located at the side of the forward position of the marked lengths and means for feeding such marked lengths laterally past the second marking means.

In testimony whereof I have hereunto signed my name in the presence of the two subscribing witnesses.

CESARE BARBIERI.

Witnesses:
G. W. CUNNINGHAM,
ALFRED Y. ANDREWS.

4406

C. BARBIERI.

PROCESS OF MAKING SHEETS.

APPLICATION FILED AUG. 19, 1909.

968,110. Patented Aug. 23, 1910.

Fig. 1.

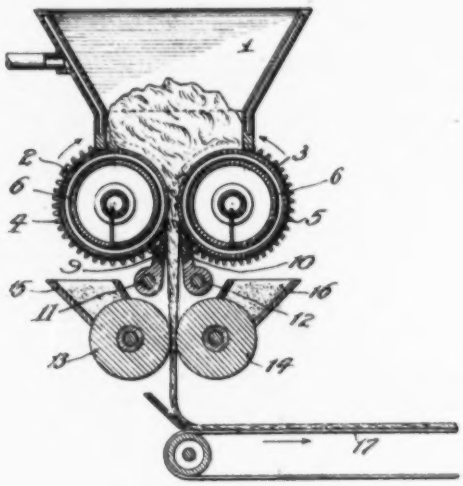
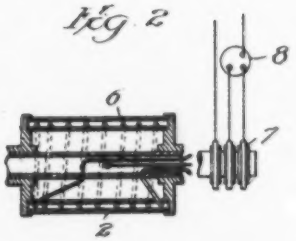


Fig 2



WITNESSES

Geo. C. Davies

E. M. Roberts.

INVENTOR

Cesare Barbieri

By Dyrenforth & Carpenter

Attorneys

UNITED STATES PATENT OFFICE.

CESARE BARBIERI, OF CHICAGO, ILLINOIS, ASSIGNOR TO BARBIERI & DELLENBARGER COMPANY, OF CHICAGO, ILLINOIS, A CORPORATION OF ILLINOIS.

PROCESS OF MAKING SHEETS.

968,110. Specification of Letters Patent. Patented Aug. 23, 1910.

Original application filed April 16, 1908, Serial No. 427,402. Divided and this application filed August 19, 1909. Serial No. 513,583.

To all whom it may concern:

Be it known that I, CESARE BARBIERI, a subject of the King of Italy, residing in the city of Chicago, in the State of Illinois, have invented certain new and useful Improvements in Processes of Making Sheets, of which the following is a specification.

This invention relates to processes for forming and handling sheets generally, and more particularly to the forming of sheets from resinous, gummy, sticky material and plastic substances such as gum chicle, gum caoutchouc, caramel, chocolate, taffy, cake and biscuit dough, and other confectionery and bakery goods, and the like, which under working conditions are sticky or both sticky and elastic.

It relates especially to processes for forming, by mechanical means, commercial sizes of sticks of gum chicle, colloquially known as chewing gum.

The principal objects of my invention are to produce sheets of gum chicle, mechanically, and particularly to produce continuous sheets of uniform thickness, width, consistency and weight, and without necessity of manual contact therewith by any person engaged in such production; to reduce the time required for such production and consequently cheapen the cost of production and enlarge the amount possible for a factory to produce; to produce sheets and sticks of more even and homogeneous texture and more uniform dimension, density and finish, and hence an article more merchantable; to improve by the use of machinery the conditions of hygiene under which such sheets are formed and finished, and thereby to preserve as far as possible the purity of the material and avoid the entrance of foreign matter into the sheets and any danger of contamination or infection thereof ensuant from hand manipulation.

As heretofore made, chewing gum has been manipulated largely by hand. The various processes and the steps incident to manufacture have necessitated that each sheet be subject to the operation of a considerable number of people. Such manufacturing has been conducted necessarily in order to maintain the sheets in plastic condition, under conditions of high temperature, and much to be desired in the way of hygienic conditions has been impossible to attain, owing to the fact that it has not been found commercially possible to make the sheets of gum by machinery and without manual processing, nor to produce continuous sheets.

I preferably carry out the steps of my improved process by means of a machine one exemplification of which I have illustrated diagrammatically in the accompanying drawings, wherein—

Figure 1 is a vertical section taken transversely through the machine; and Fig. 2 is a sectional detail of the heating means, employed by me therein, though the process may be practiced in other machines adaptable, or especially designed, for the purpose, a machine of the latter class being shown in my co-pending application Serial No. 427,402, of which this is a division.

The machine illustrated in the accompanying drawing comprises, briefly stated, the following mechanism, viz: a receptacle 1 for receiving the plastic mass to be formed into a sheet, which receptacle is preferably made hollow in order to provide a jacketing for the mass whereby the temperature and consistency thereof may be regulated by steam or hot water circulation or other heating apparatus; the feeding rolls 2 and 3 respectively carrying intermeshing gears 4 and 5, by which they may be rotated in the directions indicated by the arrows at substantially the same speed, such feeding rolls being provided with regulable heating means, here shown as a divided resistance coil 6, the unequal sections of which are so arranged with relation to the commutator 7 and a switch 8 that the heat of the rolls may be regulated as desired; the knife like cutters or removing devices 9 and 10 which are removably mounted in pivoted supporting members 11 and 12 respectively and are held with their edges in close contact with the surfaces of the rolls 2 and 3; the finishing rolls 13 and 14 adapted to smooth and compress, and, if desired, to reduce to any desired thickness the sheet as it passes downward from the rolls 2 and 3, the said rolls 13 and 14 being provided with a non-conducting surface such as enamel should it be desired that they be cooled externally, whereas they should be formed of a highly conducting material such as steel or copper if it be desired that they be cooled inter-

nally; hoppers 15 and 16 bearing respectively on the rolls 13 and 14, whereby powder may be supplied to the rolls and thence to the sheet of material in order to prevent the sheet from sticking to the parts through which it passes; and a horizontal belt conveyer 17 for carrying away the sheet in a continuous and flat form.

The manner in which the rotating rolls and other parts as just described are driven is unimportant, and it is to be understood that the rolls might be heated by non-machine elements, as by torches or hot water, or by the hot gum itself, in which latter case the gum would necessarily be heated to a higher temperature than normally, and would have to remain in the receptacle long enough to heat the rolls before the process could be successfully carried out, as I have found in practice that in order to feed the gum from the receptacle that it must be made to adhere to the rolls, and that when the rolls are below a certain predetermined temperature the gum in all cases fails to adhere so that it may be fed.

The adhering of the gum to the rolls necessitates the second step in the process, viz.: rotation of the rolls at substantially the same rate of speed so that the gum may be carried therebetween and against the cutters, and the cutting of the gum from the rolls as they rotate, in order to form the gum into a sheet as it emerges from between the rolls and cutters.

In forming some qualities or thicknesses of sheets, a third step is desirable, that is, causing the passage of the emerging sheet through a pair of finishing rolls which should be invertical alinement with the feeding rolls. In this manner the shet may be given a smooth finish, or a more compact surface, and may if desired be reduced to a predetermined thickness. If necessary suitable powder, such as powdered sugar where a sheet of gum chicle is being formed, may be applied to the rolls 13 and 14 in order to prevent the sheet from sticking thereto and becoming roughened or torn.

As the sheet emerges from the rolls between which it is formed or acted upon, I remove it by the belt conveyer 17, which may be of such length as may be necessary to accommodate the sheet produced, though in practice I find that the conveyer is preferably made of considerable length to the end that the sheet of material as it is conveyed thereby has sufficient time to harden in its finished form, so that it may be more firm and resistant before it is cut or subjected to further treatment.

It is to be observed that in order to prevent the tearing of the sheet, or the production of a sheet of very irregular form or one that would be practically valueless for most purposes as a merchantable article, the rolls 2 and 3 must preferably be rotated at substantially the same speed, sufficient heat must be used to cause the gum to adhere to the rolls, and the knives must be well sharpened and bear continually on the rolls throughout substantially their entire length.

In practice I have found that the difficulties in handling a hot plastic mass of gum are very great, and that though it has heretofore been believed that the forming of sheets of gum chicle from a plastic mass was necessarily an expensive and unhygienic hand process incapable of being satisfactorily performed by a machine, I have by the machine illustrated and the process above described and hereinafter pointed out in my claims accomplished the production of such sheets mechanically in a manner which is entirely successful not only operatively but also economically and commercially.

Having thus described my invention and illustrated its use what I claim as new and desire to secure by Letters Patent is the following:

1. The process of forming a plastic mass of gum of a character adapted to become sticky and adhesive when heat is applied thereto into a sheet by the use of substantially horizontal spaced feed rollers, which consists in heating both of the rolls to such a temperature as will cause the gum to adhere thereto, rotating the rolls at substantially the same speed to carry forward between them in a sheet the gum adhering thereto, and cutting the sheet from the rolls on its emergence therefrom.

2. The process of forming a plastic mass of gum of a character adapted to become sticky and adhesive when heat is applied thereto into a sheet by the use of a pair of substantially horizontal spaced feed rollers, a pair of substantially horizontal spaced finishing rollers, and cutting means bearing on said feed rollers, which consists in causing the gum to adhere to both of the feed rollers by heat, rotating said rollers at substantially the same speed to carry the gum against said cutting means, cutting the gum from the rolls in the form of a sheet as it emerges from between said rolls and cutting means, and applying pressure to said sheet by said finishing rolls.

In testimony whereof I have hereunto signed my name in the presence of the two subscribed witnesses.

CESARE BARBIERI.

Witnesses:
PAUL CARPENTER,
DONALD C. WILLIAMS.

4412

A. M. PRICE.

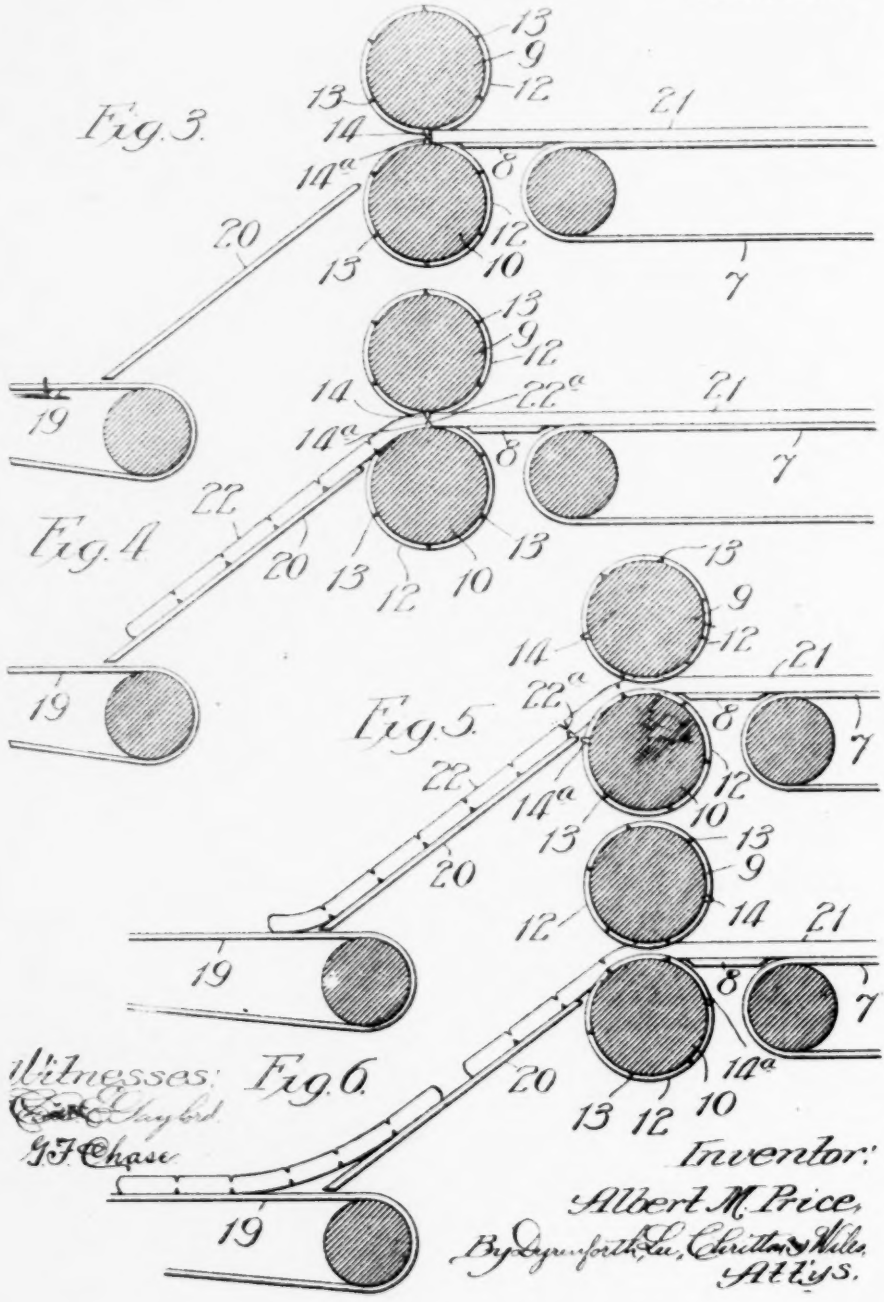
MANUFACTURE OF CHEWING GUM.

APPLICATION FILED APR. 27, 1910.

992,590.

Patented May 16, 1911.

2 SHEETS—SHEET 2.



Witnesses:

E. Gaylord

G. J. Chase

Inventor:

Albert M. Price,

By Dyer, Tompkins, Tenney & Wilkinson

Attys.

UNITED STATES PATENT OFFICE.

ALBERT M. PRICE, OF ELGIN, ILLINOIS, ASSIGNOR, BY MESNE ASSIGNMENTS, TO WM. WRIGLEY, JR. COMPANY, A CORPORATION OF WEST VIRGINIA.

MANUFACTURE OF CHEWING-GUM.

992,590. Specification of Letters Patent. Patented May 16, 1911.

Application filed April 27, 1910. Serial No. 557,939.

To all whom it may concern:

Be it known that I, ALBERT M. PRICE, a citizen of the United States, residing at Elgin, in the county of Kane and State of Illinois, have invented a new and useful Improvement in the Manufacture of Chewing-Gum, of which the following is a specification.

My invention relates to an improvement in severing into sections a sheet of plastic material which is fed, for the purpose, between cutting rolls.

Chewing-gum is the plastic material for which I have more particularly devised my improvement and in relation to which, therefore, it is hereinafter described; although it is equally useful for any other plastic sheet-material requiring to be severed into sections.

A procedure employed in the manufacture of chewing-gum involves rolling the mixture forming the mass to be sheeted, into a continuous sheet of the proper thickness for sticks of the gum, and feeding the sheet between rolls which score it into sticks and sever it at desired intervals to form smaller sheets or sections of convenient length for handling. The sections are dried and then broken up along the scoring lines to separate the sticks, which are then wrapped and packed to prepare them for the market. This procedure is rendered possible by my present improvement.

The primary object of my invention is to render the feed of the sheeted material past the cutting-rolls continuous by avoiding obstruction thereof in its course beyond the cutting point where the sections are taken off, in succession, by the delivering-means, thereby to prevent interruption in the desired continuity of the operation by disorganizing it as the result of such obstruction.

In the accompanying drawings, Figure 1 is a broken plan view showing the cutting and scoring rolls interposed between the sheet-feeding and section-delivery means employed for the practice of my improvement; Fig. 2 is a view of the same in side elevation, and Figs. 3 to 6 inclusive are views in longitudinal sectional elevation, the section being taken on line A—A, Fig. 1, illustrating progressively the coöperating action of the rolls and the delivery therefrom in carrying out my improvement.

In my pending application, Serial No. 529,253, filed November 22, 1909, for a sheet-gathering machine, substantially the same apparatus is shown and described as that herein illustrated.

The chewing-gum to be acted on is conveyed from ordinary sheeting-rolls (not shown) on an endless traveling apron 7, across a bridging guide-plate 8, to a pair of coöperating rolls 9 and 10; and the shaft 11 of the roll 10 is represented as the drive-shaft for the two rolls, shown geared together, and the delivery-device hereinafter described. Each of these rolls is provided with circumferential scoring-knives 12 and longitudinal scoring-knives 13, all of the same height, and with similar coöperating cutters 14 and 14^a of slightly greater height than the scoring-knives. The shaft 11 carries a sprocket-wheel 15 geared by a chain 16 to a sprocket-wheel 17, of smaller diameter, on the one shown of two similar roller-supporting shafts 18, nearest the scoring and cutting rolls and which carry an endless apron 19 for effecting delivery of the sheet-sections severed in the manner hereinafter described. An inclined guide-plate 20 bridges the space between the roll 10 and delivery-apron 19.

With the rolls 9 and 10 and the apron 19 in motion, and a sheet 21 of chewing-gum in plastic condition being fed by the apron toward the rolls, the advance-end of the sheet passes between the latter to be scored and advanced by their coöperating surfaces. The cutters 14 and 14^a, which are relatively disposed to coincide in each complete rotation of the rolls, do not meet to entirely sever the continuous sheet 21 passing between them, but only partially sever it, thereby leaving the partially-severed section 22 united to the continuous sheet by a thin web 22^a (Figs. 4 and 5). This is to overcome the tendency of the plastic material of the continuous sheet to adhere to the scoring-roll 10 and follow it about, when it would encounter, at its advance-end, the rear end of the guide-plate 20 and, by resultant clogging, disorganize the operation of the machine. By leaving the partially-severed section thus attached, in moving across the plate 20, to attain the apron 19, it lifts the advance-end of the continuous sheet over the receiving-end of the guide-plate; and since the manner illustrated of gearing the delivery-apron to the roll 10 drives the apron at greater

speed than the roll, the frictional action of the apron upon the partially-severed section exerts upon it sufficient drag to pull it apart, at the weak line or web 22^a, from the advance-end of the continuous sheet while the latter is still moving at the slower speed of the scoring and cutting rolls.

What I claim as new and desire to secure by Letters Patent is—

1. In the manufacture of chewing-gum, the method of severing from a sheet of the plastic material, of a section thereof, which consists in scoring the same on the desired line of severance to a depth less than the thickness of the sheet to form a relatively-thin, web-junction therewith, and completing the separation by pulling the section apart at the web while in a plastic condition.

2. In the manufacture of chewing-gum, the method of severing from a sheet of the plastic material a section thereof, which consists in moving said sheet at a relatively slow rate of speed and during such movement scoring the same on the desired line of severance, thereby forming a relatively-thin, web-junction with the sheet, and thereupon moving the scored section at a relatively-faster rate of speed to effect pulling it apart, at the web, from the sheet while in a plastic condition.

3. In the manufacture of chewing-gum, the method of severing from a sheet of the plastic material, a section thereof, which consists in moving said sheet at a relatively-slow rate of speed and during such movement scoring the same on the desired line of severance, thereby forming a relatively-thin web-junction of such scored section with the sheet and thereupon subjecting the scored section to a frictionally-dragging action at a relatively faster rate of speed to effect pulling it apart, at the web, from the sheet.

ALBERT M. PRICE.

In presence of—
R. A. RAYMOND,
J. G. ANDERSON.

4416

A. M. PRICE.

GUM WRAPPING MACHINE.

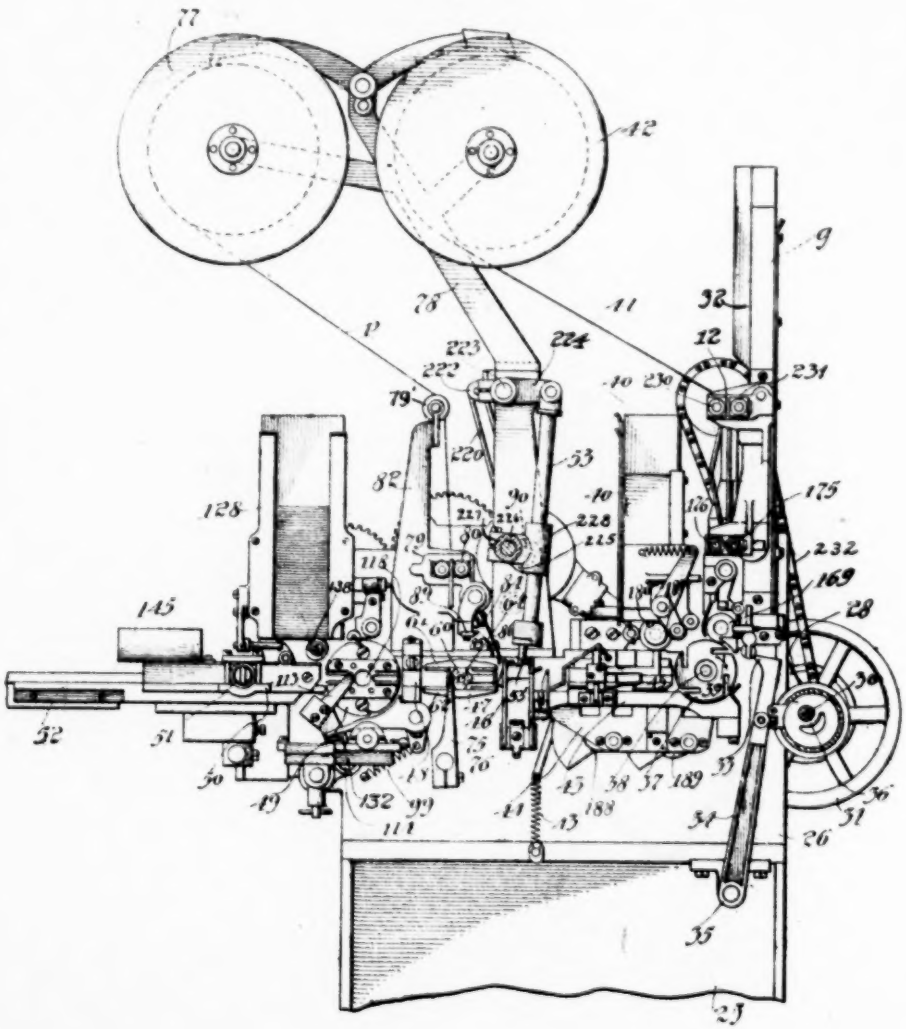
APPLICATION FILED AUG. 13, 1913.

1,109,461.

Patented Sept. 1, 1914.

10 SHEETS—SHEET 1

Fig. 1.



Witnesses

Robert F. Weir

Arthur W. Colton

Inventor

Albert M. Price

by Offield, Towle, Graves & Offield

Attys.

4418

A. M. PRICE.

GUM WRAPPING MACHINE.

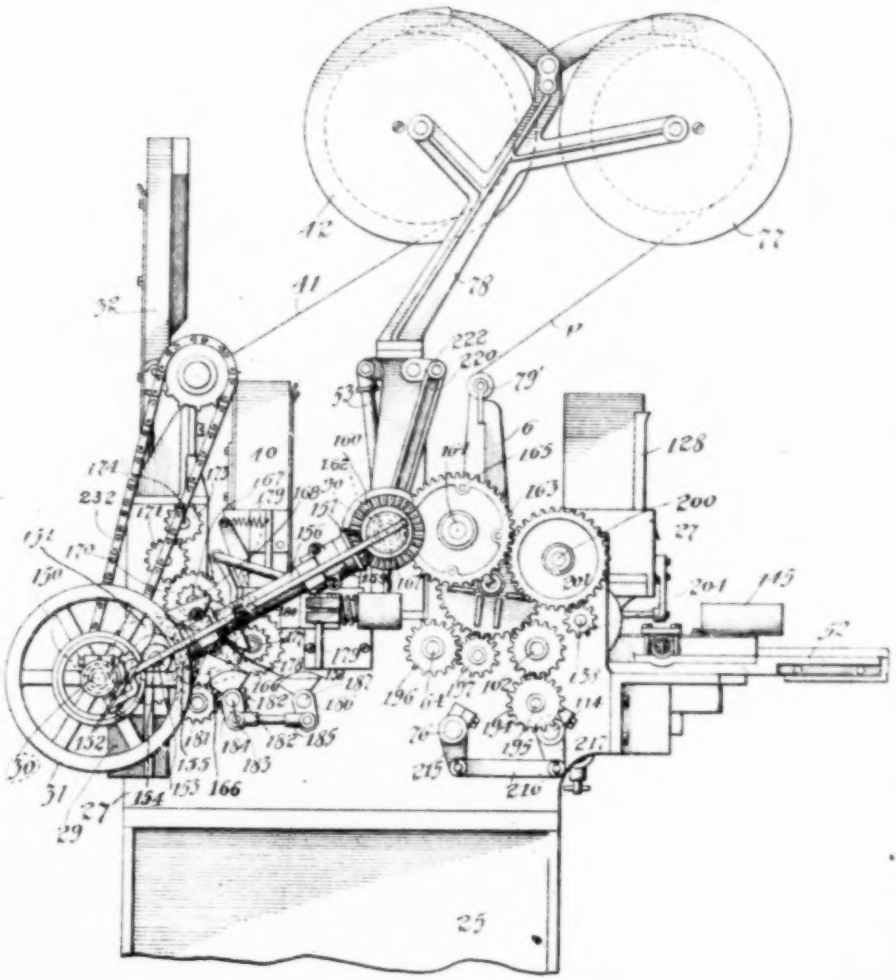
APPLICATION FILED AUG. 13, 1913.

1,109,461.

Patented Sept. 1, 1914.

10 SHEETS—SHEET 2.

Fig. 2.



Witnesses

Robert H. Freer

Arthur W. Carlson

Inventor

Albert M. Price

by Offield, Towle, Graves & Offield

Attys.

4426

A. M. PRICE.

GUM WRAPPING MACHINE.

APPLICATION FILED AUG. 13, 1913.

1,109,461.

Patented Sept. 1, 1914.

10 SHEETS-SHEET 3.

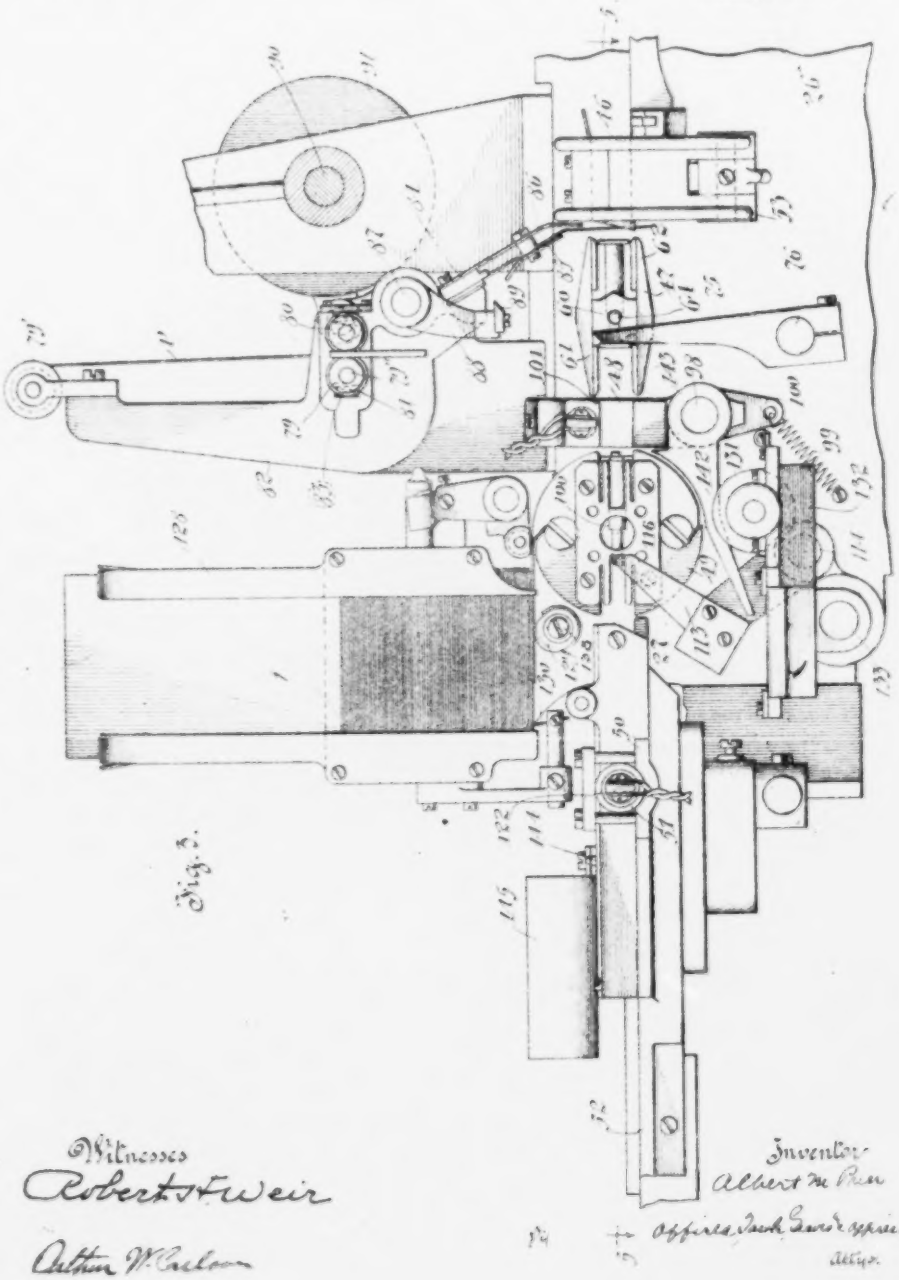


Fig. 3.

Witnesses
Robert H. Weir
Arthur W. Carlson

Inventor
Albert M. Price
by Offner, Peck, Lowe & Offner
Attys.

4422

A. M. PRICE.

GUM WRAPPING MACHINE.

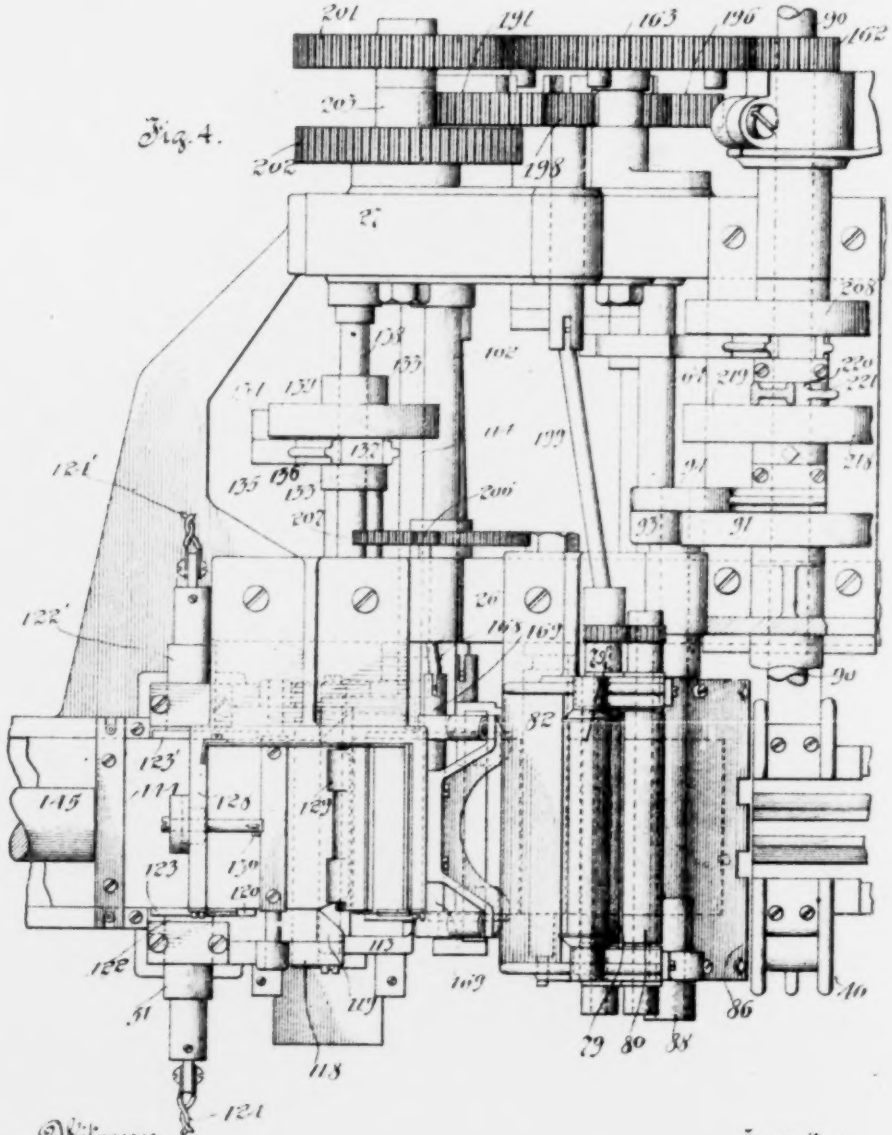
APPLICATION FILED AUG. 13, 1913.

1,109,461.

Patented Sept. 1, 1914.

10 SHEETS—SHEET 4.

Fig. 4.



Witnesses

Robert J. Weir

Arthur W. Carlson

Inventor

Albert M. Price

By Offield, Towle, Graves & Offield

Attys.

4424

A. M. PRICE.

GUM WRAPPING MACHINE.

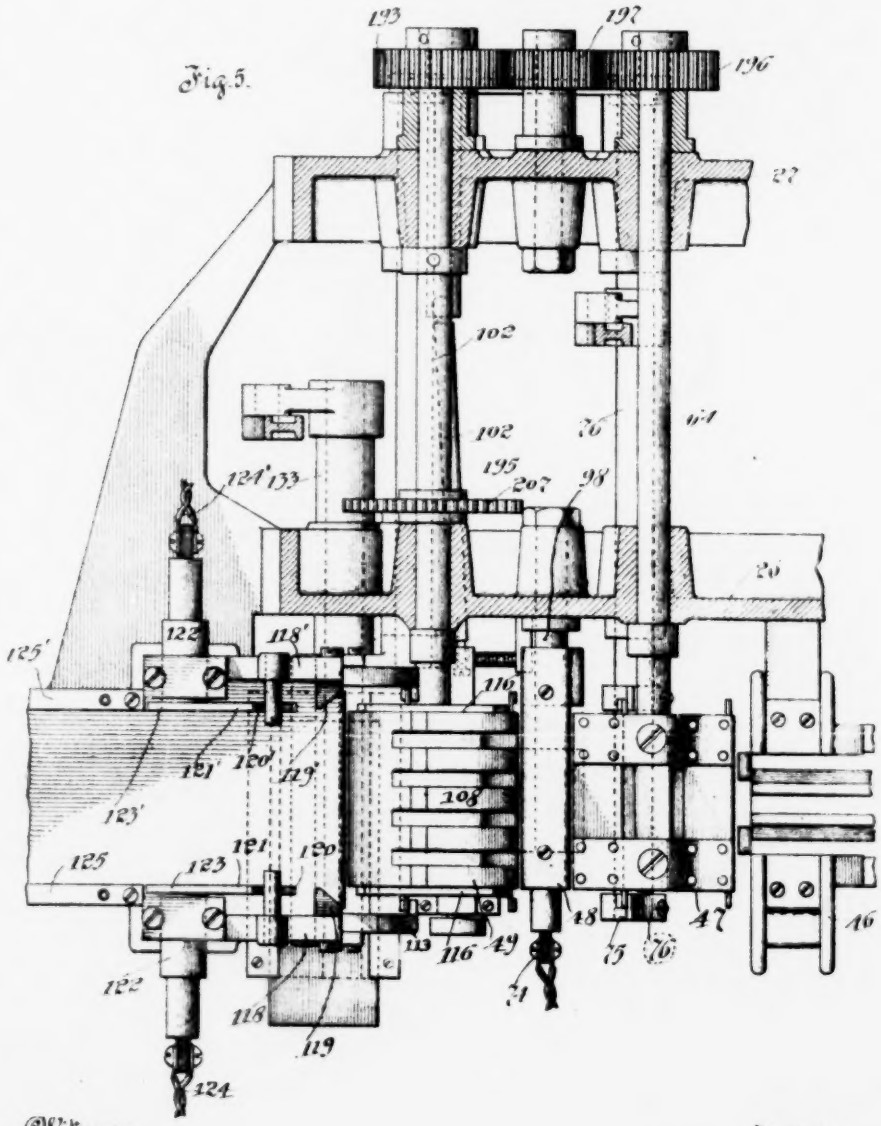
APPLICATION FILED AUG. 13, 1913.

1,109,461.

Patented Sept. 1, 1914.

10 SHEETS—SHEET 5.

Fig. 5.



Witnesses

Robert J. F. Weir

Arthur W. Carlson

Inventor

Albert M. Price

by Offield, Towle, Graves & Offield

Attys.

4426

A. M. PRICE.

GUM WRAPPING MACHINE.

APPLICATION FILED AUG. 13, 1913.

1,109,461.

Patented Sept. 1, 1914.

10 SHEETS—SHEET 6.

Fig. 11.

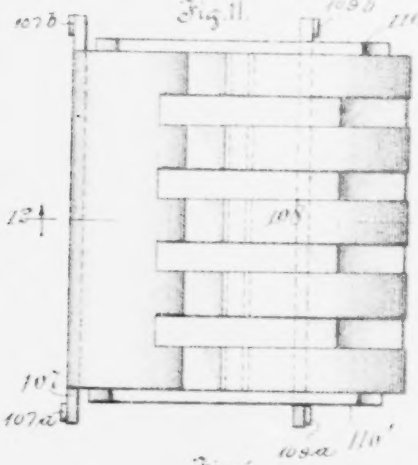


Fig. 12.

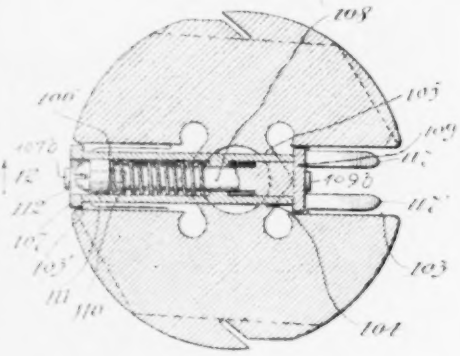


Fig. 6.

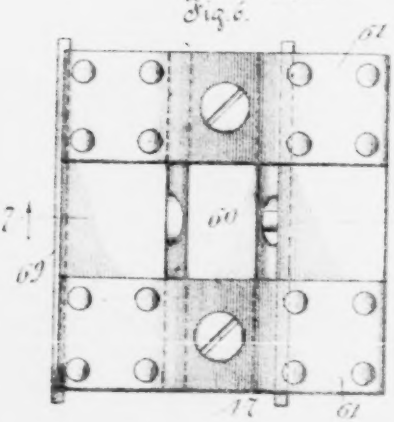


Fig. 7.

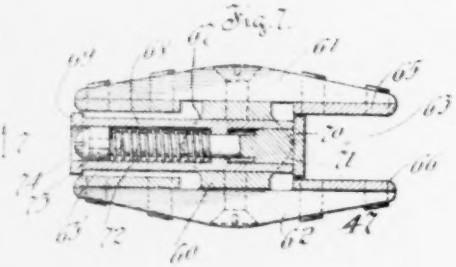
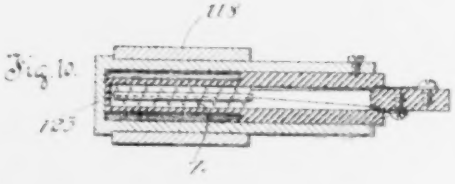


Fig. 10.



Witnesses

Robert H. Weir

Arthur W. Carlson

Inventor

Albert M. Price

by Offield Towle Graves & Offield

Attys

4428

A. M. PRICE.

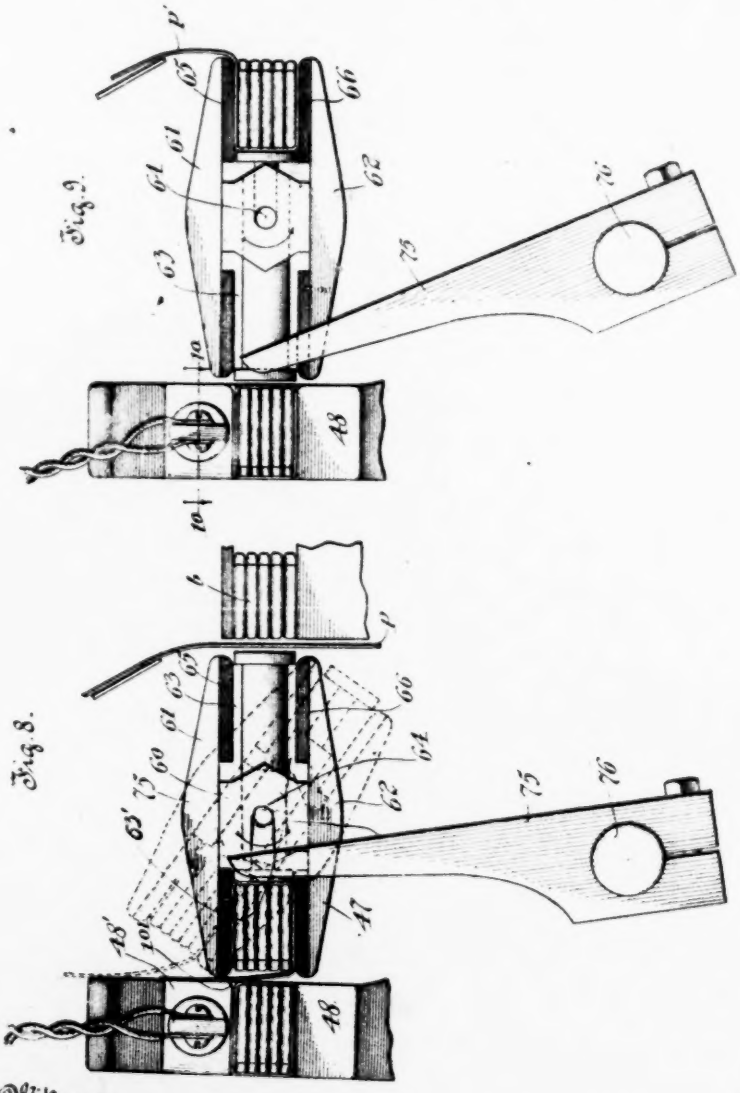
GUM WRAPPING MACHINE.

APPLICATION FILED AUG. 13, 1913.

1,109,461.

Patented Sept. 1, 1914

10 SHEETS—SHEET 7.



Witnesses
Robert F. Weir
Arthur W. Carlson

Inventor
Albert M. Price
by Offield, Towle, Graves & Offield
Attys.

4436

A. M. PRICE.

GUM WRAPPING MACHINE.

APPLICATION FILED AUG. 13, 1913.

1,109,461

Patented Sept. 1, 1914.

10 SHEETS—SHEET 8.

Fig. 13.

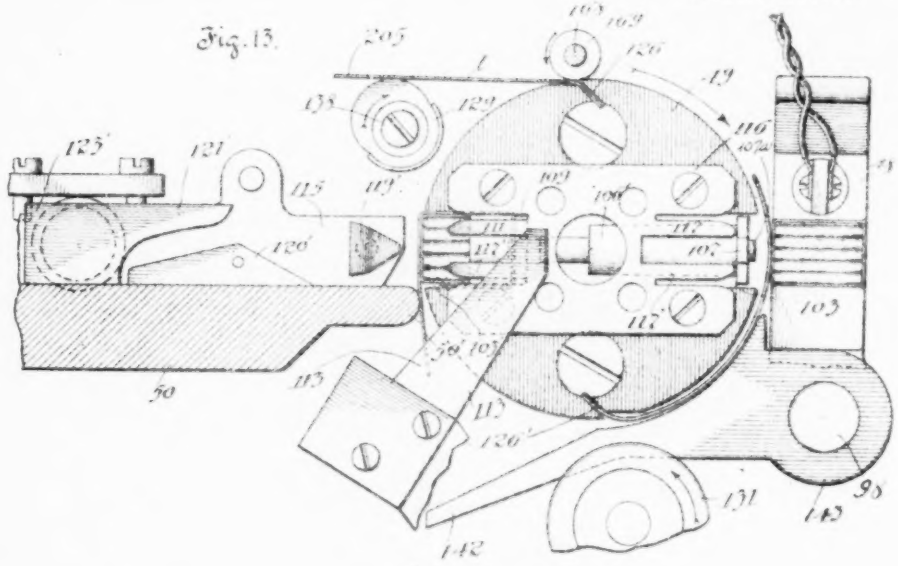
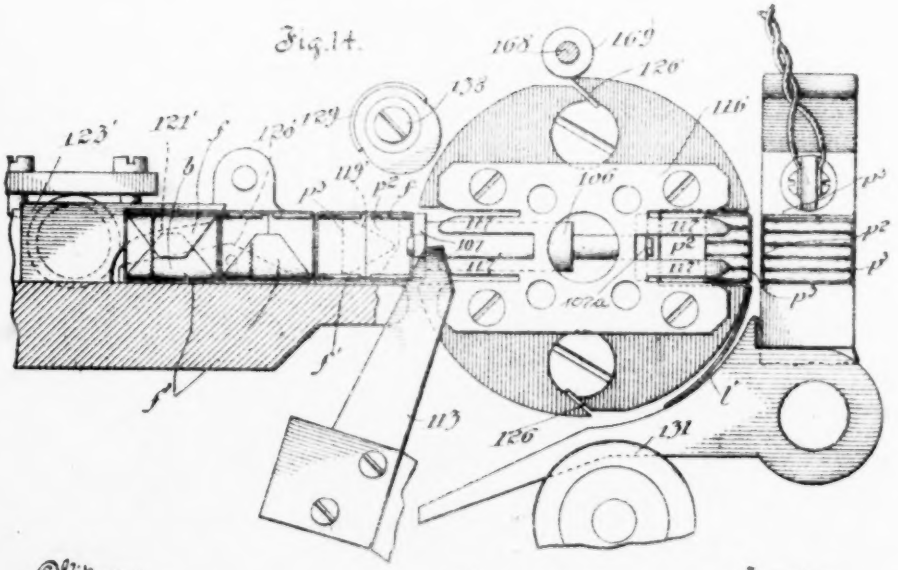


Fig. 14.



Witnesses

Robert H. Weir

Austin W. Carlson

Inventor:

Albert M. Price

by Offield, Towle, Graves & Offield

Attys

4432

A. M. PRICE.

GUM WRAPPING MACHINE.

APPLICATION FILED AUG. 13, 1913.

1,109,461.

Patented Sept. 1, 1914.

10 SHEETS—SHEET 9.

Fig. 16.

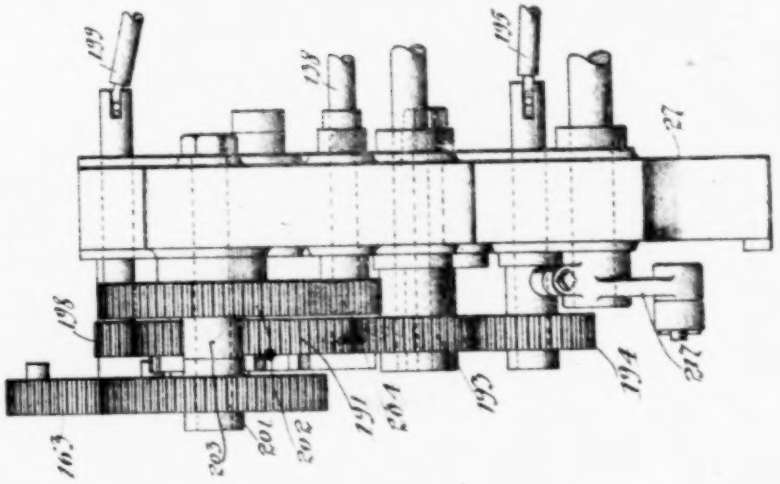
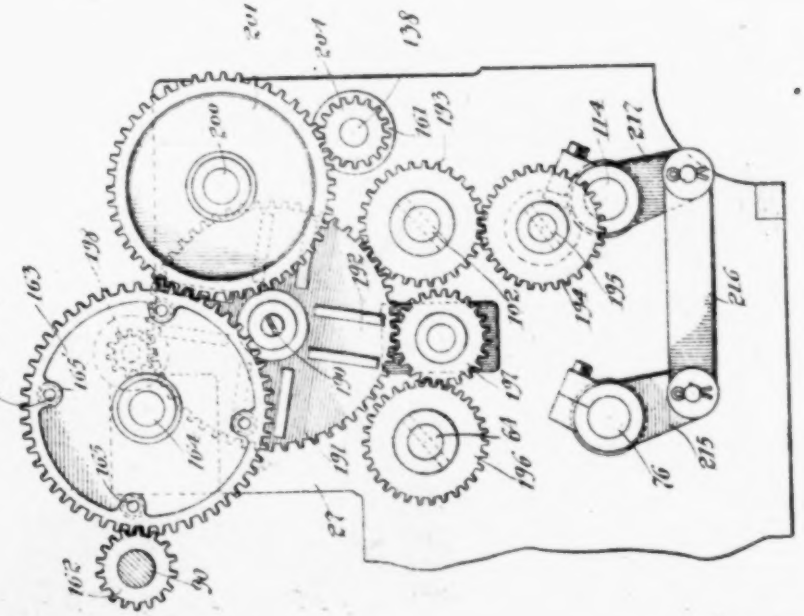


Fig. 15.



Witnesses:

Robert F. Weir

Arthur W. Carlson

Inventor:

Albert M. Price

by Offield, Towle, Graves & Offield

Attys.

4434

A. M. PRICE.

GUM WRAPPING MACHINE.

APPLICATION FILED AUG. 13, 1913.

1,109,461.

Patented Sept. 1, 1914.

10 SHEETS—SHEET 10.

Fig. 17.

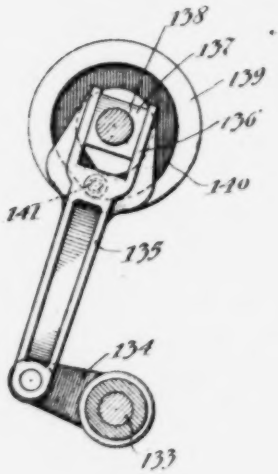


Fig. 19.

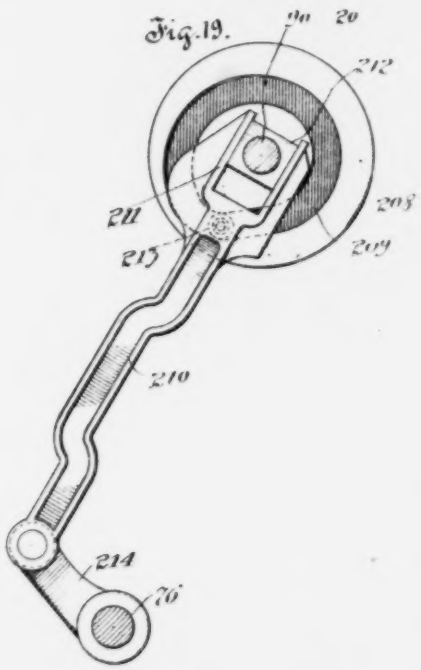


Fig. 18.

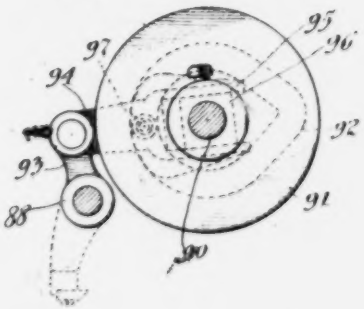
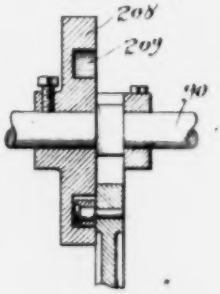


Fig. 20.



Witnesses

Robert H. Weir

Arthur W. Carlson

Inventor

Albert M. Price

By Appleton, Dewey, Crane & Appleton

Attys.

UNITED STATES PATENT OFFICE.

ALBERT M. PRICE, OF ELGIN, ILLINOIS.

GUM-WRAPPING MACHINE.

1,109,461. Specification of Letters Patent. Patented Sept. 1, 1914.

Application filed August 13, 1913. Serial No. 784,479.

To all whom it may concern:

Be it known that I, ALBERT M. PRICE, a citizen of the United States, and a resident of Elgin, in the county of Kane and State of Illinois, have invented certain new and useful Improvements in Gum-Wrapping Machines, of which the following is a specification.

My invention relates to wrapping machines, particularly to gum wrapping machines.

In my co-pending application Serial No. 759,657, filed April 8, 1913, I have shown and described an improved machine for wrapping chewing gum, the machine receiving the gum sticks at one end, the gum being successively transferred to operating fields, the sticks being first individually labeled and wrapped, the individually wrapped sticks being then arranged in bundles, and the bundles being then bound together each by a label band and being then ready for packing into suitable boxes.

The invention in this present application has for its chief object the provision of an additional step, namely the wrapping of each bundle in such manner that it will be entirely sealed against air and moisture. Such sealing is important as gum subjected to dry air will become hard and brittle and will break and crumble when chewed; and when gum is subjected to moisture it will absorb the moisture and it will become soft and sticky.

The invention also involves simple and efficient driving mechanisms for causing synchronous and properly timed operation of the various mechanisms.

The machine of this application like that of the co-pending application referred to, comprises means for wrapping the individual gum sticks, means for bundling the individually wrapped sticks, and means for binding the bundles together. In addition to such mechanisms the present machine has mechanism for individually wrapping the bundles in material such as wax paper together with mechanism for properly and accurately folding the ends of the wrappers, and mechanism for sealing the over-lapping and over-folded ends together.

As the individual stick wrapping mechanism, the bundling mechanism, and the band applying mechanism in this present machine are of substantially the same construction as the machine in the co-pending application, it will not be necessary to show and describe such mechanisms in detail. However, the additional mechanisms in the present machine are fully shown in the accompanying drawings and fully described in the following specification.

In these drawings Figure 1 is a front elevational view of the machine, Fig. 2 is a rear elevational view, Fig. 3 is an enlarged front elevational view of the left half of the machine to show particularly the mechanism for applying the sealing wrappers to the bundles, Fig. 4 is a plan view of the parts shown in Fig. 3, Fig. 5 is a plan view looking substantially from plane 5—5, Fig. 3, Fig. 6 is an enlarged plan view of the bundle transferring member, Fig. 7 is a sectional view on plane 7—7, Fig. 6, Fig. 8 is a front elevational view of the bundle transferring mechanism and heating mechanism for softening the wax, the position of the parts showing a bundle about to be shifted from the transfer member into the heating mechanism, Fig. 9 is a front elevational view of the same parts shown in Fig. 8 but in position in which a bundle has been expelled into the heating mechanism from one end of the transferring mechanism and a bundle received in the opposite end thereof, Fig. 10 is a sectional view of the heating mechanism taken on plane 10—10, Fig. 9, Fig. 11 is a plan view of a rotary folding and label applying drum, Fig. 12 is a sectional view on plane 12—12, Fig. 11, Fig. 13 is a front elevational view of the rotary drum and ejector mechanism for transferring partially folded bundles to the delivery table provided with mechanism for completing the folding operation and with heating mechanism for softening the wax of the over-lapping folds, Fig. 14 is a similar view showing parts in position just after the bundle has been transferred to the delivery table, Fig. 15 is an enlarged elevational view of driving gears situated at the rear of the machine, Fig. 16 is a view of the gears of Fig. 15 looking from the right, Fig. 17 is an enlarged view of certain cam mechanism for controlling the operation of gluing mechanism, Fig. 18 is an enlarged view of certain knife and operating cam mechanism therefor, Fig. 19 is an enlarged view of certain cam mechanism for controlling arms for discharging bundles from the rotary drum, and Fig. 20 is a sectional view on plane 20—20— Fig. 19.

A suitable base or standard 25 supports front and rear frames 26 and 27. At the right hand side of the machine these frames support bearing brackets 28 and 29 journaling the main drive shaft 30, this drive shaft carrying at its rear end the drive pulley 31. At the right side of the machine is the vertically disposed magazine 32 for the chewing gum sticks *g*, mechanism associated with this magazine and fully described in the co-pending application referred to serving to deliver the gum sticks successively into the path of the upper end 33 of the feed lever 34 pivoted at its lower end to the machine frame as indicated at 35, the lever being swung by means of a connecting rod having eccentric connection with the main drive shaft 30 as indicated at 36. The drum 37 carried on shaft 38 has the longitudinal pockets or grooves 39 spaced 90 degrees apart, this drum being rotated in the direction of the arrow indicated thereon to successively bring the grooves into position to receive the lowermost gum stick from the magazine 32, the drum being advanced intermittently and pausing a sufficient length of time while a gum stick is charged into the groove by the lever 34.

As fully described in the co-pending application referred to, individual wrappers are fed from the magazine 40 and pieces of oiled paper are cut from paper 41 fed from a roll 42, each oiled piece being superposed on a wrapper and delivered to the drum 37 in front of the groove therein which is about to receive a stick of gum, the wrapper together with the oiled paper being folded at one end into the groove with the gum stick. This drum coöperates with the table 43 to further fold the papers and wrappers about the gum sticks, the sticks being then transferred by the transfer member 44 from the drum grooves into the passageway between the table 43 and the block 45 above the table, the wrapping being then completed with the exception of folding of the ends. As fully described in the co-pending application referred to, the sticks with the individual wrappings about them are progressively shifted through the passageway between the table and the block, and during such passage the ends of the wrappers are folded over and against one side of the sticks, the wrapped sticks being then stacked into bundles of five sticks each at the end of the table and delivered into and through the frame 46 from which frame the bundles are delivered into the rotary transfer member 47, and from this transfer member the bundles are passed successively through the heating mechanism 48, the rotary drum 49, the folding frame 50, heating mechanism 51, and the discharge shelf 52. Upon passage of the bundles through the members 49 and 50 label bands are applied thereto in exactly the same manner as in the machine of the co-pending application. The present machine differs particularly from the earlier machine in the provision of the rotary transfer member 47, heating members 48 and 51, and additions on the rotary drum 49 and frame 50, these members and additions coöperating to apply a sealing wrapper to each bundle before application thereto of a label band. Up to the rotary member 47, the operation of the machine is substantially identical with the machine of the co-pending application, the bundles being shifted from the frame 46 into the rotary member 47 by the fork lever 53 fully shown and described in said co-pending application.

In Figs. 6 to 10, the construction of the members 47 and 48 and their coöperation to wind sealing papers about the bundles is shown in detail. The member 47 comprises a hub 60 to whose opposite sides are secured the flat frames 61 and 62 to form the pockets 63 and 63′. The hub is secured to the front end of a shaft 64. Wearing plates 65 and 66 are provided in the pockets 63 and 63′ respectively and secured to the frames 61 and 62, the distance between these plates being substantially the same as the height of five individually wrapped gum sticks. Extending transversely through the hub 60 and midway between the ends of the frames 61 and 62 is the passageway 67 into which extends the inner end of the sleeve 68 carrying at its front end the discharge plate 69. Telescoping into the sleeve 68 is a stem 70 carrying at its outer end a discharge plate 71, a spring 72 encircling the stem between the base of the sleeve and the collar 73 secured to the stem by the screw 74. The sleeve and piston together with the discharge plates form a discharging frame for discharging gum bundles from the pockets 63 and 63′ to the heating mechanism 48. The ends of the discharge plates 69 and 71 extend a distance beyond the ends of the frames 60 and 62 to be engaged by the end of a discharge arm 75 secured to a shaft 76. This arm is moved intermittently to engage with its end against the projecting ends of the discharge plates to shift the discharge frame toward the heating member as clearly shown in Fig. 9. The members 47 and 48 coöperate to complete the winding about each bundle of a sealing wrapper which is partly wound about the bundle upon insertion of the bundle into the right side of the member 47 by the fork member 53. The mechanism for feeding wrapping paper pieces to the bundles is clearly shown in Figs. 1, 3 and 5. The wrapping material is preferably paraffined or waxed paper *p* and is fed from a roll carried on a spool 77 which is journaled on standards 78 which also supports a spool 42 carrying the oiled paper for the individual stick wrapping. From the roll

the paper *p* passes downwardly over roll 79' between guide rolls 79 and 80 journaled at the opposite ends in pockets 81 provided in frame 82, springs 83 tending to press the rolls together. From the rolls the paper passes adjacent a knife bar 84 supported from the lower end of frame 82, and then passes between the guide plates 85 and 86 into position between the guide frame 46 and the member 47. Extending from shaft 87 is a knife frame 88 carrying at its lower end the knife blade 89 whose edge coöperates, upon swinging of the frame, with the cutting edge of the bar 84 to cut the paraffin paper band. As best shown in Fig. 18, the shaft 90 carries a cam disk 91 having the cam groove 92. Pivoted to the end of arm 93 extending from the cutting frame 88 is a cam lever 94 whose fork end 95 embraces a nut 96 on shaft 90. Pivoted to the cam lever 94 is a cam roller 97 which engages in the cam groove 92. Upon rotation of the shaft 90 the cam mechanism causes operation of the knife mechanism to cut the paraffin paper into length suitable for the wrapping of bundles.

Figs. 8 and 9 show the manner in which the bundles are wrapped upon passage from the guide frame 46 to the heater frame 48. The end of the paper *p* is fed down as illustrated in Fig. 8, between the bundle in the frame 46 and the pocket 63 of the rotary transfer member 47. As the bundle *b* is now moved out of the frame 46 by the fork arm 53 it will carry with it into the pocket 63 the end of the paper *p*, which end will have been cut from the paper band before engagement thereof by the bundle. The operation of the shaft 76 is so timed that the arm 75 will engage with the left hand plate to shift the discharge frame toward the left to clear the pocket 63 for the reception of the gum bundle and the parts will then be in relative position as indicated in Fig. 9, the lower end of the paper being wrapped about the bottom inner side and top of the bundle. As will be shown later, the driving mechanisms are such that the member 47 will be at rest during charging therein of a gum bundle whereupon it will be rotated 180 degrees in counter clockwise direction to carry the received and partly wrapped bundle into position in front of the heating frame 48. During such rotation the upper end *p'* of the paper will fall against the outer face of the gum bundle and will be disposed between such face and the entrance of the heating frame when the transfer member 47 again comes to rest. During such period of rest of the transfer member the arm 75 again becomes active to shift the discharge frame within the transfer member and the gum bundle is discharged into the heating frame, and at the same time another bundle is charged by the fork lever 53 into the opposite pocket of the transfer member. Upon passage of the bundle into the heating member the outer end of the wrapping paper is folded against the inner end by the block 48' of the heating member. This block is heated in any suitable manner as by means of a resistance coil at the interior thereof, the heat softening the wax and causing flux thereof between the over-lapping paper ends so that when the wrapped bundle is dicharged from the heating member the wax will cool and the paper ends will be securely sealed. It will be noted that the heating frame 48 is pivoted on a stud 98 extending from side frame 26 and is held inclined a trifle from the vertical and away from the transfer member 49, a spring 99 connecting between the machine and an arm 100 extending downwardly from the heating frame. It will also be noted that the entrance edge 101 of the block 48' is well rounded. After the bundle reaches the heating member 48 the wrapping paper ends overlapping the top of the bundle are sealed together but the sides of the paper extending beyond the bundle ends are still to be folded together and sealed. Such folding and sealing of the paper ends is accomplished during carriage of the bundles into the rotary drum 49 and through the frame 50, coincident with the application of label bands to the bundles.

The construction and operation of the drum 49 is clearly illustrated in Figs. 1 and 3 and 11 to 14. The drum is secured to the end of a shaft 102 and has opposite longitudinal pockets 103 and 103' extending radially from the hub 104. Extending diametrically through the hub substantially midway of the pockets is the passageway 105 in which reciprocates a sleeve 106 carrying at its outer end a discharge plate 107. Extending into the sleeve through the base thereof is a stem 108 carrying at its outer end a discharge plate 109, a spring 110 encircling the stem between the sleeve base and the collar 111 held to the stem by the screw 112. The sleeve, stem and plates constitute the discharge frame, reciprocable diametrically in the drum in substantially the same manner as the discharge frame in the transfer member 47. The ends of the discharge plates extend a distance beyond the drum ends to be engaged by the ends of ejector arms 113 adjacent the drum ends and carried by shaft 114. The drum is intermittently rotated 180 degrees to carry its opposite pockets successively into register with the passageway of the heater mechanism 48, and a folding passageway 115 above the frame or table 50, to receive partially wrapped gum bundles from the heater mechanism and to discharge such bundles into passageway 105, the bundles during such travel having the side sections of the seal-

ing wrapper folded and sealed together, and having a label band applied thereto. Describing first the folding mechanism and operation, plates 116 and 116′ are secured to the opposite ends of the drum and are cut away at the ends to register with the pockets 103 and 103′ but to leave upper and lower folding tongues 117 and 117′ at the opposite ends of the pockets. In Fig. 13 the drum is shown in position about to discharge a gum bundle into passageway 105 and to receive another gum bundle in its opposite pocket. The sequence of operations is such that the fork member 53 will act slightly in advance of the discharge arms 113 in order that the wrapper extensions p^2 may be given a preliminary folding deflection before being finally folded into place by the tongues 117 and 117′. As clearly shown in Figs. 11 and 13, the ends of the discharge plates 107 and 109 have projections 107^a and 107^b and 109^a and 109^b respectively, the distance between these projections being a trifle greater than the length of the wrapped gum sticks. Referring now to Fig. 13, a bundle within the heating frame 48 will be shifted by the fork member 53 toward the transfer member 49 and the near side wrapper extensions p^2 will be engaged midway between their upper and lower sides and a distance away from the gum stick ends by the projections 107^a and 107^b and will be started accurately on their folding movement before the folding tongues 117 and 117′ are reached. After such preliminary folding the arms 113 become effective to positively shift the discharge frame and the gum bundle is shifted by the fork member 53 entirely into the pocket 103 and the wrapper near side extensions p^2 are finally folded against the gum stick stack. When the drum is rotated 180 degrees the gum bundle will present its opposite side sections p^3 to the passageway 105. Plates 118 and 118′ form the sides of this passageway and from the front ends of these plates folding lugs 119 and 119′ of triangular cross section extend into the passageway and their entrance edges are tapered as clearly shown in Fig. 5. When the gum bundle is now ejected from the drum it enters passageway 115 and the wrapper side extensions p^3 are engaged by the folding lugs and these extensions folded against the folded extensions p^2, as shown in Fig. 14. To the left of the folding tongues 119 and 119′ the side plates 118 and 118′ support folding plates 120 and 120′ of triangular shape, as clearly shown in Fig. 13. Above the left half of these plates are folding fingers 121 and 121′. After a gum bundle has passed the folding tongues 119 and 119′ the wrapper ends will be in the form of upper and lower triangular flaps f and f' extending perpendicularly to the gum bundle ends. The plates 118 and 118′ are sufficiently far apart to receive the bundles with the flaps thus extending outwardly. Now as the bundle passes along between the side plates the lower flaps f' are first engaged by the folding plates 120 and 120′ and are deflected upwardly and against the bundle ends. The upper flaps then pass below the folding fingers 121 and 121′ and are deflected downwardly and against the bundle end to partly overlap the lower folded-in flaps, the wrapper sides being then entirely folded into place. Extending through the side plates 118 and 118′ are heating blocks 122 and 122′ whose inner ends terminate in the plates 123 and 123′ from which extend the folding fingers 121 and 121′ respectively. In the heating blocks are suitable heating coils Z connected respectively with electrical conductors 124 and 124′. As the wrapped gum bundles pass between the plates 123 and 123′ and with their folded flaps in contact with said plates, the flaps are heated and the wax softened. Then when the bundles leave the heating field and pass farther along the table 50 and between the cooler side walls 125 and 125′ the wax again hardens and the folded wrapper sides are securely sealed together, the gum being then sealed against the access of moisture and air.

Simultaneous with the above folding operation, label bands are applied about the bundles. Referring to Figs. 13 and 14 diametrically opposite slots 126 and 126′ are cut into the drum parallel with its axis and into these slots the labels l are fed from the magazine 128, the rubber surfaced feed disk 129 shifting the labels one by one toward the drum, the detent point 130 preventing the escape of more than one label at a time. When a label is received in the upper slot 126 the drum is at rest and when rotated 180 degrees this label is carried around the drum and trailed between the gum bundle within the heater mechanism 48 and one of the pockets in the drum. Now upon shifting of the gum bundle into the pocket the end of the label is carried into the pocket in advance of the bundle and wrapped about the bottom, the inner side and top thereof. When the upper end of the label is thus carried into the pocket with the gum bundle its lower end l' is drawn out of the drum slot and carried upwardly as indicated in Fig. 14. During such upward movement glue is applied to the lower end by means of glue applying disks 131 revolvable in a glue receptacle 132 secured to shaft 133 at its left side. Extending from the shaft 133 is an arm 134 to which the lower arm of a cam rod 135 is pivoted, the bifurcated end 136 of this cam rod embracing a nut 137 on

shaft 138, this shaft carrying a cam disk 139 having a cam groove 140 for receiving the cam roller 141 pivoted to the cam rod. With this arrangement shaft 133 is rocked to carry upwardly that end of the glue receptacle in which the glue applying disks are mounted. These disks pass upwardly between the fingers 142 extending from a frame 143 secured to the stud 98 on which the heating member 48 is pivoted, the upper surface of the fingers being concentric with the drum as clearly indicated in Fig. 3. As the end l' of the label band is drawn upwardly between the drum surface and the glue applying disk, streaks of glue are applied thereto, this taking place while the drum is at rest. When the drum again rotates 180 degrees the end l' is carried upwardly and falls over to hang against the outer side of the gum bundle and against the under edge 50′ of the table 50. Now as the bundle is discharged into the passageway 115 the end l' with the glue thereon is wrapped about the lower side of the bundle and to overlap the other end of the label, the ends being then securely glued together. The passageway 115 is closed on top by a cover 144 held down by a weight 145, the weighted cover exerting slight pressure on the bundles as they pass through the passageway, 115. After emerging from this channel the wrapped bundles travel along the shelf 52 from which they are packed into suitable boxes.

In the preceding description of the heating frame 48 it was pointed out that this frame was pivoted and yieldingly held inclined a trifle from the vertical and away from the transfer member. This is for the purpose of allowing ample clearance space between the heating frame and the transfer member for the feeding of the labels. The upper entrance edge 101 being well rounded the gum bundles can readily enter from the transfer member 47, and during discharge of the bundles from the heating member this member will be carried toward the transfer member 49 but as soon as the bundle has been discharged therefrom it will be immediately returned to its inner position by the spring 99 to leave ample clearance space for the next label.

Describing now the driving mechanisms for the various feeding, wrapping and folding mechanisms, the main drive shaft 30 carries a pinion 150 which meshes with a gear 151, this gear having three cam-studs 152 extending from one face thereof and spaced equally apart. This gear is mounted on the front end of shaft 153 whose rear end carries the bevel pinion 154 which meshes with a bevel gear 155 at the lower end of the shaft 156 extending diagonally upwardly and terminating in bevel pinion 157, the shaft being journaled in frame parts 158 and 159 (Fig. 2). The pinion 157 meshes with a bevel gear 160 on the rear end of the shaft 90. A pinion 162 on this shaft meshes with the gear 163 on a stub shaft 164 extending from the side wall 27 and this gear has four studs 165 extending from one of its faces and spaced 90 degrees apart (Figs. 2, 15 and 16). All devices connected with the shafts or gears of the transmission train thus far described are driven continuously. A number of the parts, such as the transfer drums, feed mechanisms, discharge mechanisms, must be driven intermittently. Such intermittent movement is produced by intermittent gear mechanism. The shaft 38 which carries at its front end the gum stick receiving and discharging drum 37 carries at its rear end cam gear 166 with which the studs 152 on gear 151 coöperate, the cam gear having the four radial cam grooves 166′ for receiving the studs. The flaring outer ends of the cam grooves are rounded in the arcs of circles of which the shaft of the gear 151 is the center, so that when initially entering and finally leaving a cam groove the studs 152 will not effect rotation of the gear 166. The cam gear is thus turned intermittently, there being momentary pauses while the studs pass over the rounded ends of the cam grooves. The cam gear 166 meshes with a pinion 167 on the rear end of shaft 168 carrying at its front end the feed roller 169 which coöperates with the drum 37 to feed wrapping papers for the individual gum sticks (Fig. 1). Another gear 170 on the shaft 168 meshes with an idler pinion 171 pivoted from the gum stick magazine 32 and this pinion meshes with a gear 173 on the rear end of a shaft 174 with whose front end is connected the feed roller 175 which coöperates with the companion roller 176 to feed the oiled paper 41 for wrapping the gum sticks, the rollers being mounted on the gum stick magazine 32, shown in Fig. 1. The cam gear 166 also meshes with an idler pinion 177 secured to the gear 178, this gear meshing with a pinion 179 on the rear end of shaft 180 which carries at its front end the friction feed member 180′ for feeding wrappers from the magazine 40 (Fig. 1). The various gears connected with the cam gear 166 and the various parts controlled thereby are of course operated intermittently as the gum receiving drum must pause intermittently in order to receive the gum sticks from the gum magazine. The gear 151 which is driven directly from the main drive shaft meshes with the idler 181 which in turn meshes with a pinion 182 on the rear end of a shaft 183 (Fig. 2). Adjacent the pinion the shaft carries a crank arm 184 connected by rod 185 with the crank arm

186 on the rear end of shaft 187. The crank arms are parallel and the shafts are parallel and extend to the front of the machine (Fig. 1) where they carry respectively parallel crank arms 188 and 189, the transfer frame 44 being pivoted on the ends of these crank arms, this transfer frame being given bodily rotary movement to progressively shift the wrapped gum sticks from the drum 37 and to stack the sticks into bundles preparatory to shifting of the bundles through the frame 46 by the fork member 53.

Referring to Figs. 15 and 16, below stub shaft 164 is a stub shaft 190 carrying an idler gear 191 provided on its face with four radially extending cam ways 192 with which the cam rollers 165′ on the studs 165 on wheel 163 coöperate, the gear 191 being thus rotated intermittently. The gear engages a pinion 193 on the shaft 102 on the front end of which the transfer drum 49 is mounted. The pinion 193 engages the pinion 194 connected by flexible shaft 195 with the glue applying disks 131. The intermittent gear 191 also drives the gear 196 through idler gear 197, the gear 196 being on shaft 64 to whose front end is secured the transfer member 47 which transfers gum bundles to the sealing mechanism 48. Above the intermittent gear 191 and meshing therewith is a pinion 198 connected by flexible shaft 199 with the shaft 79″ carrying the feed roll 79 (Fig. 3), between which roll and the companion roll 80 the paraffined paper is fed for sealing the gum bundles. A stub shaft 200 extending rearwardly from the side frame 27 mounts outer and inner gears 201 and 202 connected together by a hub 203, the outer gear meshing with the continuously rotating gear 163 and the other gear meshing with the pinion 204 on the rear end of shaft 138 which at its front end carries the friction feed member 129 for feeding labels to the transfer drum 49 (Figs. 1, 13 and 14). The shaft 168 which carries the roller 169 for coöperating with the friction feed member 129 to feed labels to drum 49 carries at its inner end pinion 206 engaged by a gear 207 on the shaft 102 supporting the drum 49. On shaft 90 which mounts the cam for controlling the knife for cutting the paraffin paper is mounted a cam disk 208 having a cam groove 209 (Figs. 19 and 20). A cam rod 210 has the forked end 211 slidable on the nut 212 on the shaft and carries a cam roller 213 engaging in the groove 209. The lower end of the cam rod pivots to the arm 214 secured to the shaft 76 which carries the discharge arm 75 associated with the bundle transfer member 47. Referring to Fig. 15, the shaft 76 terminates on the rear side of the machine in a crank arm 215 connected by connecting rod 216 with the crank arm 217 on the shaft 114 which carries the discharge arm 113 associated with the transfer drum 49. Upon rotation of shaft 90 these two discharge arms are swung together to discharge the gum bundles from the respective transfer members. The shaft 90 also carries a cam disk 218 having a cam groove 219 in which a cam roller (not shown) on a cam rod 220 engages, whose forked end 221 slides on a nut (not shown) on the shaft in substantially the same manner as the cam lever 210. The upper end of the rod 220 pivots to the end of a crank arm 222 on the rear end of shaft 223, from whose front end and in opposite direction extends the crank arm 224 pivoted to the upper end of the discharge fork member 53 already referred to. The front end of shaft 90 supports a crank arm 225 from whose end a crank pin 226 extends forwardly. Journaled on this crank pin is a horizontal sleeve 227 integral with which is a sleeve 228 at right angles thereto, and through this latter sleeve the discharge member 53 is slidable. The effect of the above controlling mechanism is to cause the lower end of the member 53 to describe a more or less elliptical path to carry the prongs 53′ at its lower ends through the open upper end of the frame 46 to carry the gum bundles through this frame and into the transfer member 47 (Fig. 1). As before stated, the various parts connected with the shaft 38 on which the drum 37 is mounted are driven intermittently due to the intervention in the gearing train of the cam gear 166. This cam gear is mounted on the shaft 38 and its gearing relation to the main drive shaft 30 is as 1 to 4, the drum having four drum stick receiving slots and therefore rotatable one-fourth turn for each revolution of the main drive shaft. The various mechanisms for controlling the movements of the individual gum sticks and for controlling the feeds for the wrapping material operate at the same speed as the main drive shaft and once for each quarter turn of the drum 37. The rollers 175 and 176 for controlling the feed of oiled paper to the individual gum sticks are connected by gearing train with the cam gear 166, already described, and operate intermittently. Above these rolls are other rolls 230 and 231 driven directly from the main drive shaft by a chain belt 232, the paper being thus allowed to slack between the upper and lower rolls in order that the lower rolls will not have to operate against the resistance of the reel 42 which feeds wrapping paper. The feed member feeds wrappers for individual gum sticks and the transfer frame shifts the wrapped gum sticks progressively away from the drum 37 and stacks the wrapped sticks into bundles. As the mechanism is

designed to stack five sticks in a bundle, the mechanisms which control the bundles must operate at one-fifth the speed of the mechanisms controlling the individual sticks. The shaft 90 with which the bundle controlling mechanisms are connected is therefore driven at one-fifth the speed of the main drive shaft through the gearing train already described and all the bundle controlling mechanisms connected with the shaft 90 through uniformly operating gearing trains will operate accordingly, while those mechanisms controlled from the intermittent gear 191 operate intermittently, such intermittent operating mechanisms being those which must pause a sufficient length of time to allow bundles to be fed thereto or to be discharged therefrom. The fork member 53 driven by shaft 90 by means of cam and crank mechanism will shift the bundles through the frame 46 and into the pockets of the transfer member 47.

Referring to Figs. 15 and 16 the gearing relation is such that for each revolution of the pinion 162 on shaft 90 the gear 163 will rotate one-fourth of the revolution, and the cam gear 191 will likewise rotate one-fourth of a revolution. The gearing relation between the gear 191 and the gear 193 is such that the gear 193 will turn one-half revolution for one-fourth revolution of the cam gear and this gear 193 is on the shaft 102 which supports the rotary transfer member 49. The gear 196 mounted on shaft 64 which supports the transfer member 47 will rotate one-half revolution for each one-fourth revolution of the cam gear to which it is connected by the idler 197. The two transfer members each having two opposite pockets are thus intermittently rotated 180 degrees for each rotation of shaft 90. The cam lever 94 connected with the shafting 95 on which are mounted the glue applying disks 131 meshes with the pinion 193 so that glue is applied to the labels during each half rotation of the transfer member 49. The shafting 199 connected by pinion 198 with the cam gear 191 effects intermittent drive of the feed rolls 79 and 80 for the paraffined bundle wrapping paper, but the knife mechanism for cutting the paper is driven directly from the shaft 90 through the intervention of cam mechanism (see Fig. 18) the discharge arms 75 and 113 are swung simultaneously as before described by means of the cam connection with the shaft 90 already described, these arms effecting discharge of bundles from the transfer members 47 and 49 respectively during the pauses of these members. The glue pot in which the glue applying disks 131 revolve is rocked intermittently by means of the cam mechanism operated on shaft 138 which is driven by the gear 204, this same shaft terminating in a friction feed member 129 for feeding labels to the transfer member 49. It will be noted that the labels *l* serve also to hold the sealing wrapper ends securely in overlapped position to prevent separation thereof before the wax has a chance to cool and to harden, and to keep the wax confined so as to prevent deposit in the machine. Referring particularly to Figs. 13 and 14, the drum for the transfer member 49 is between the two heating devices 48 and 51 and considerable heat is radiated therefrom to the transfer drum, particularly from the heating mechanism 48. The transfer member might therefore become sufficiently heated to prevent hardening of the wax. However, a label *l* being inserted with each sealed gum bundle into the transfer member pocket from the heating mechanism 48 and the label being secured about the bundle before discharge from the transfer member, the sealing wrapper ends will be securely held together until cool and thus prevented from separating. Again, the folded extensions of the sealing wrapper when passing between the heating heads 123 and 123′ are heated in order to flux the wax, and although this heat may reach the longitudinal ends of the wrapper, the label, which extends close to the ends of the bundle, would prevent separation of the ends. The bundles are thus delivered from the machine accurately and fully sealed.

I thus provide a very simple and efficient machine into which the gum sticks and the various wrappers and labels are fed and in which the gum sticks are first individually wrapped with an inner moisture proof wrapper and an outer label wrapper, these sticks being then stacked into bundles, and the bundles then thoroughly sealed by moisture-proof wrappers and a label band applied about the sealed bundles. The machine is automatic in its entire operation, the bare gum sticks entering at one end and completely sealed and wrapped bundles being discharged from the other end, the sealing of a moisture-proof wrapper about each bundle fully protecting the gum against air and moisture and causing the gum to retain its proper consistency and flavor. I do not desire to be limited to the precise construction, arrangement and operation shown and described as changes and modifications might be made which would still come within the scope of the invention and

I claim the following:

1. In a wrapping machine, the combination of a carrier, means for successively charging bundles into said carrier, means for folding a wrapper about three sides of each bundle during charging thereof into said carrier, the wrapper being wider than the bundle, sealing mechanism, means for

charging the partially wrapped bundles successively from said carrier into said sealing mechanism to effect folding of the remaining end of the wrappers about the remaining side of the bundles and to overlap the ends of the wrappers, means controlled by said sealing mechanism for sealing together said overlapping ends, a second carrier adapted to receive the bundles from the sealing mechanism, folding mechanism on said second carrier for partially folding the extending sides of the bundles during transit to said second carrier, additional folding mechanism and means for shifting the bundles thereto from said second carrier, said additional folding mechanism effecting complete folding together of the extending sides of the wrapper, and means for sealing said folds together.

2. In a gum wrapping machine, the combination of means for individually wrapping sticks of gum, means for stacking any predetermined number of sticks into bundles, means for winding and folding a wrapper intimately about each bundle, means for sealing together the folds of the wrapper, and means for securing a label about each wrapped bundle.

3. In a wrapping machine of the class described, the combination of a frame for successively receiving bundles of articles, a transfer member having a receiving pocket, means for feeding wrappers one at a time between said frame and receiving pocket, means for discharging a bundle from said frame toward and into said pocket whereby a fed wrapper is wound about three sides of the bundle, a second transfer member having a pocket, means for moving said first transfer member to carry its pocket into register with the pocket of the second transfer member, means for discharging the bundle from said first transfer member to the second transfer member and an intermediate member for wrapping the end of the wrapper about the remaining side of the bundle during such shifting of the bundle between the transfer members, the wrappers being wider than the length of the bundles, means for partially folding the extending sides of the wrapper against the bundle ends during transfer of the bundle to the second transfer member, additional folding mechanism, means for moving said second transfer member into register with said additional folding mechanism, and means for discharging the bundles from said second carrier member to the additional folding mechanism, said additional folding mechanism causing complete folding of the extending sides of the wrapper against the bundle ends.

4. In a wrapping machine of the class described, the combination of a frame for successively receiving bundles of articles, a transfer member having a receiving pocket, means for feeding wrappers one at a time between said frame and receiving pocket, means for discharging a bundle from said frame toward and into said pocket whereby a fed wrapper is wound about three sides of the bundle, a second transfer member having a pocket, means for moving said first transfer member to carry its pocket into register with the pocket of the second transfer member, means for discharging the bundle from said first transfer member to the second transfer member and an intermediate member for wrapping the end of the wrapper about the remaining side of the bundle during such shifting of the bundle between the transfer members, the wrappers being wider than the length of the bundles, means for partially folding the extending sides of the wrapper against the bundle ends during transfer of the bundle to the second transfer member, additional folding mechanism, means for moving said second transfer member into register with said additional folding mechanism, means for discharging the bundles from said second carrier member to the additional folding mechanism, said additional folding mechanism causing complete folding of the extending sides of the wrapper against the bundle ends, and means for sealing the folds together.

5. In a wrapping machine of the class described, the combination of a frame for receiving a bundle of articles, a carrier having a receiving pocket, means for feeding wrappers of greater width than the length of the bundles, means for shifting the bundle from said frame into said pocket, means for causing the wrapper to be partly wound about a bundle during such shifting, a second carrier member having a pocket, means for shifting a bundle from said first carrier toward said second carrier and into the pocket of the second carrier, a sealing frame having a passageway through which said bundle passes on its way to the second carrier, said passageway completing the winding of the wrapper about the bundle, means for partially folding the extending sides of the wrapper against the bundle ends during passage of the bundle into said second carrier, means for discharging the bundle from the second carrier, and additional folding means for receiving the bundle from the second carrier and for completing the folding of the extending sides of the wrapper.

6. In a wrapping machine of the class described, the combination of a frame for receiving bundles of articles, a carrier and means for shifting the bundle from the frame thereto, means for feeding a wrapper between said frame and carrier to be wrapped partially about a bundle during such shifting thereof, a folding frame,

means for shifting the bundle from said carrier to the folding frame, the wrapper being completely wound about the bundle during such shifting to the folding frame, a second carrier for receiving bundles from the folding frame, and folding mechanism associated with said second carrier for folding the extending sides of said wrapper against the bundle ends.

7. In a wrapping machine of the class described, the combination of a frame for receiving bundles of articles, a carrier and means for shifting the bundle from the frame thereto, means for feeding a wrapper between said frame and carrier to be wrapped partially about a bundle during such shifting thereof, a folding frame, means for shifting the bundle from said carrier to the folding frame, the wrapper being completely wound about the bundle during such shifting to the folding frame, a second carrier for receiving bundles from the folding frame, folding mechanism associated with said second carrier for folding the extending sides of said wrapper against the bundle ends, and additional folding means for receiving the bundle from said second carrier and for completing the folding against the ends of the extending sides of the wrapper.

8. In a wrapping machine of the class described, the combination of a rotatable carrier having pockets for receiving bundles of gum sticks, means for feeding bundles successively into said pockets, means for partially winding a wrapper about each bundle during charge thereof into said carrier, a folding frame having a receiving pocket, means for rotating the carrier to bring a charged-in bundle into register with said folding frame pocket and means for discharging the bundle from the carrier into the folding frame pocket, said wrapper being completely wrapped about the bundle during transfer thereof to the folding frame, each wrapper having sealing material applied along its ends, and heating mechanism on said folding frame for heating said sealing material during folding of the wrapper to thereby effect securing together of the wrapper ends.

9. In a wrapping machine of the class described, a folding frame, means for applying wrappers about the articles, said wrappers having sealing material applied to their ends, and heating means for heating said frame whereby said sealing material is softened during folding of the wrapper to cause the wrapper ends to be secured together.

10. In a wrapping machine of the class described, the combination of a rotatable carrier having pockets in its opposite sides, means for charging bundles of articles successively into said pockets, means for feeding a wrapper in advance of said carrier to be partially wrapped about a bundle during charging thereof into a pocket, a folding frame having a passageway for bundles, means for rotating said carrier to bring the charged pockets into register with said passageway, means for transferring the bundle from the carrier pocket into the passageway, the wrapper being completely wound about the bundle during such transfer, a second rotary carrier having pockets in its opposite sides for receiving bundles, means for shifting a bundle from said folding frame into a pocket of the second carrier, said wrappers being wider than the length of the bundle whereby the wrapper sides extend beyond the bundle ends after winding thereof about the bundle, folding mechanism associated with the pockets of the second carrier to partially fold said sides against the bundle ends, additional folding mechanism, means for rotating said second carrier to carry a bundle therein toward said additional folding mechanism, and means for discharging the bundle from said second carrier to said additional folding mechanism, said additional folding mechanism completing the folding of the extending sides of the wrapper against the bundle ends.

11. In a wrapping machine of the class described, the combination of a rotary carrier having a rectangular pocket, means for feeding a wrapper in front of said pocket, means for charging a stack of gum sticks against said wrapper and into said pocket to cause one end of said wrapper to be wound about the sides of the stack within said pocket, a folding member having a rectangular passageway, means for rotating said carrier to bring its pocket into register with said passageway whereby the free end of the wrapper is trailed against the folding frame and held against the outer face of the bundle, means for shifting the bundle from the carrier pocket into said passageway whereby the inner end of the wrapper is folded over the bundle and against the other end of the wrapper by the engagement of said outer end with the entrance edge of said passageway, and means for tilting said folding member away from the carrier to provide clearance space for the feeding of wrappers.

12. In a wrapping machine of the class described, the combination of a rotary carrier having a rectangular pocket, means for feeding a wrapper in front of said pocket, means for charging a stack of gum sticks against said wrapper and into said pocket to cause one end of said wrapper to be wound about the sides of the stack within said pocket, a folding member having a rectangular passageway, means for rotating said carrier to bring its pocket into register with said passageway whereby the free end of the wrapper is trailed against the folding frame and held against the outer

face of the bundle, means for shifting the bundle from the carrier pocket into said passageway whereby the inner end of the wrapper is folded over the bundle and against the other end of the wrapper by the engagement of said outer end with the entrance edge of said passageway, sealing material at the wrapper ends, and means for heating the folding frame whereby said sealing material is softened during the folding operation and the wrapper ends secured together.

13. In a wrapping machine of the class described, the combination of a rotary carrier having a rectangular pocket, means for feeding a wrapper in front of said pocket, means for charging a stack of gum sticks against said wrapper and into said pocket to cause one end of said wrapper to be wound about the sides of the stack within said pocket, a folding member having a rectangular passageway, means for rotating said carrier to bring its pocket into register with said passageway whereby the free end of the wrapper is trailed against the folding frame and held against the outer face of the bundle, means for shifting the bundle from the carrier pocket into said passageway whereby the inner end of the wrapper is folded over the bundle and against the other end of the wrapper by the engagement of said outer end with the entrance edge of said passageway, the wrapper ends having sealing material applied thereto, means for heating the folding entrance edge of the folding frame, and means for tilting said folding frame away from the carrier to provide clearance space for the feeding of wrappers.

14. In a wrapping machine of the class described, the combination of means for winding about a bundle of articles a wrapper containing adhesive material and of greater width than the length of the bundle whereby the sides of the wrapper extend beyond the bundle ends, means for heating the adhesive material at the wrapper ends while these ends are being brought into overlapping engagement at the conclusion of the winding operation whereby said ends are secured together, a carrier having a pocket, means for transferring the bundle from the wrapping mechanism to said pocket, means associated with said carrier for partly folding the extending sides of the wrapper against the bundle ends when the bundle is received in the pocket, means for discharging the bundle from said carrier, and additional folding mechanism for receiving the bundle from the carrier and for completing the folding of the wrapper sides against the bundle ends.

15. In a wrapping machine of the class described, the combination of means for winding about a bundle of articles a wrapper containing adhesive material and of greater width than the length of the bundle whereby the sides of the wrapper extend beyond the bundle ends, means for heating the adhesive material at the wrapper ends while these ends are being brought into overlapping engagement at the conclusion of the winding operation whereby said ends are secured together, a carrier having a pocket, means for transferring the bundle from the wrapping mechanism to said pocket, folding extensions on said carrier engaging with the wrapper sides during charging of the bundle into said pocket to effect partial folding of the sides against the bundle ends, additional folding mechanism, means for moving said carrier to bring its pocket into alinement with said additional folding mechanism, and means for discharging a bundle from said carrier to the additional folding mechanism, said additional folding mechanism effecting complete folding of the wrapper against the bundle ends.

16. In a wrapping machine of the class described, the combination of means for winding about a bundle of articles a wrapper containing adhesive material and of greater width than the length of the bundle whereby the sides of the wrapper extend beyond the bundle ends, means for heating the adhesive material at the wrapper ends while these ends are being brought into overlapping engagement at the conclusion of the winding operation whereby said ends are secured together, a carrier having a pocket, means for transferring the bundle from the wrapping mechanism to said pocket, folding tongues on said carrier adjacent the ends of the pocket for engaging with the extending sides of the wrapper during charge of the bundle into said pocket to partially fold such sides against the bundle ends, additional folding mechanism, means for moving said carrier to bring its pocket into alinement with said additional folding mechanism, and means for shifting the bundle from said carrier to said additional folding mechanism, said additional folding mechanism completing the folding of the wrapper sides against the bundle ends.

17. In a wrapping machine of the class described, the combination of means for winding and securing about a bundle of gum sticks a wrapper containing adhesive material and of greater width than the length of the bundle, a carrier having a pocket, means for heating the adhesive material at the wrapper ends while these ends are being brought into overlapping engagement at the conclusion of the winding operation whereby said ends are secured together, means for shifting the bundle from the wrapper winding and securing mechanism to said pocket, folding mechanism associated with said pocket for engaging with

the sides of the wrapper to partially fold said sides against the bundle ends, a frame having a passageway, means for moving said carrier to bring its pocket into line with said passageway, means for discharging the bundle from said carrier and shifting it through said passageway, folding mechanism in said passageway for completing the folding of the wrapper sides against the bundle ends, the sides of the wrapper having sealing material applied thereto, and heating mechanism projecting into said passageway for engaging with the folded sides to soften the sealing material and to thereby effect sealing together of the folded sides.

18. In a wrapping machine of the class described, the combination of means for winding about a bundle a wrapper impregnated with sealing material and of greater width than the length of the bundle, means for softening the sealing material along the overlapping ends of the wrapper while such ends are being brought into overlapping engagement at the conclusion of the winding operation whereby such ends become sealed together, means for folding the extending sides of the wrapper against the bundle ends, and means for softening the sealing material on said folded sides whereby said sides are stuck together.

19. In a wrapping machine, the combination of means for stacking a plurality of articles into a bundle, means for applying a wrapper about said bundle, means for rendering the overlapping ends of the wrapper adhesive, and means for applying a band about the wrapper to prevent separation of the adhesive ends and to prevent deposit of the adhesive material on the machine.

20. In a wrapping machine, the combination of means for stacking a plurality of articles into a bundle, means for applying a wrapper of waxed paper about said bundle, means for heating the overlapping ends of said wrapper to effect softening and fusion of the wax in the ends, and means for winding and securing a band about said bundle to hold the wrapper ends together to prevent separation thereof before cooling and hardening of the heated wax, and to prevent deposit of the adhesive material on the machine.

21. In a wrapping machine, the combination of means for winding a wax-saturated wrapper about an article, heating mechanism for engaging the overlapping ends of the wrapper to effect heating and fusion of the wax in said ends, said wrapper being of greater width than the length of the article, folding means for folding against the ends of the article the extending sides of the wrapper, heating mechanism for heating the folded sides to effect fusion of the wax therein, and means operable during passage of the article from one heating mechanism to the other to wind a band about the article over the wrapper thereon, said band being of substantially the same width as the length of the article and serving to hold the overlapping ends of the wrapper together to prevent separation thereof before the wax has cooled and hardened and to prevent deposit of the adhesive material on the machine.

22. In a wrapping machine, the combination of means for partially folding a wrapper about a bundle, a folding frame for receiving the bundle and completing the folding of the wrapper, a second frame adjacent said folding frame having a pocket, means for feeding an outer wrapper between said frames, said folding frame being normally yieldingly held away from said second frame to provide clearance space for the fed outer wrapper, and means for shifting the wrapped bundle from the folding frame into the second frame to receive the outer wrapper, said folding frame moving toward said second frame during passage of the bundle to the second frame.

23. In a wrapping machine, the combination of a frame having a passageway for receiving a bundle, a folding frame adjacent said bundle receiving frame having a pocket, means for feeding a wrapper between said pocket and said passageway, means for shifting the bundle from said receiving frame into said pocket to thereby effect winding of the wrapper about the bundle, said bundle receiving frame being normally held away from said folding frame to provide clearance space for feeding the wrapper and said frame being allowed to move toward the folding frame during passage of the bundle therefrom to the folding frame pocket.

24. In a bundle wrapping machine, the combination of a frame having a passageway for receiving a bundle, a folding frame having a pocket adapted to register with said passageway, an end plate shiftable longitudinally in said pocket and having projections at the ends of its outer face spaced apart a distance slightly greater than the length of the bundle, means for feeding between said passageway and pocket a wrapper which is of greater width than the length of the bundle, means for shifting the bundle from the passageway against said wrapper and into the pocket whereby said wrapper is folded about the bundle, said projections on said plate engaging the adjacent sides of the wrapper to partially fold said sides inwardly toward the bundle ends, and folding tongues adjacent the pocket in said folding frame for completing the folding of said extending sides against the bundle ends.

25. In a wrapping machine, a carrier having oppositely extending pockets and a pas-

sageway connecting said pockets, a sleeve shiftable through said passageway and having an end plate extending across one pocket, a stem in said sleeve having an end plate across the other pocket, and a spring yieldingly holding said stem in said sleeve.

In witness whereof, I hereunto subscribe my name, this 11th day of August, A. D., 1913.

ALBERT M. PRICE.

Witnesses:
SADIE M. RYAN,
CHARLES J. SCHMIDT.

WRIGLEY EX. 64 BUCK NO. 5

4448

A. M. PRICE.

WRAPPING MACHINE.

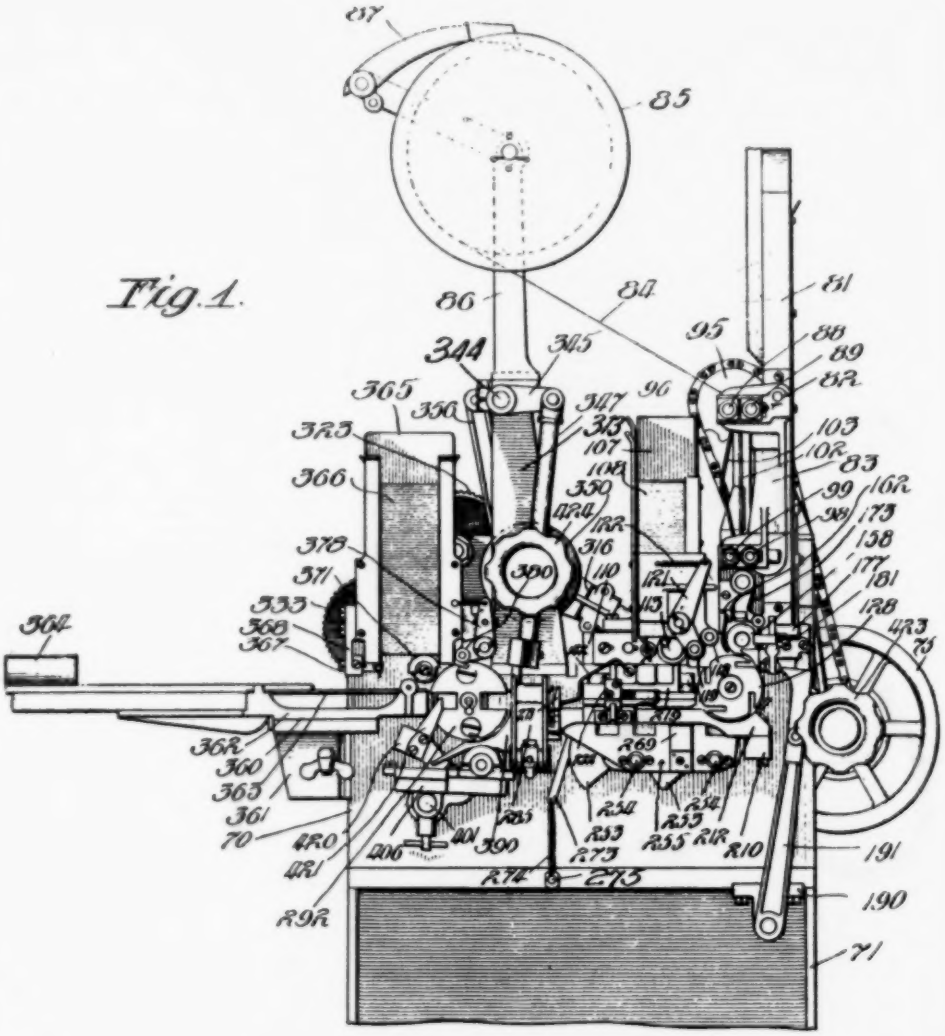
APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 1.

Fig. 1.



Witnesses:
Harry S. Gaither
by
Albert M. Price

Inventor:
Albert M. Price

Dyrenforth & Christy & Wiles,
Attys

A. M. PRICE.

WRAPPING MACHINE.

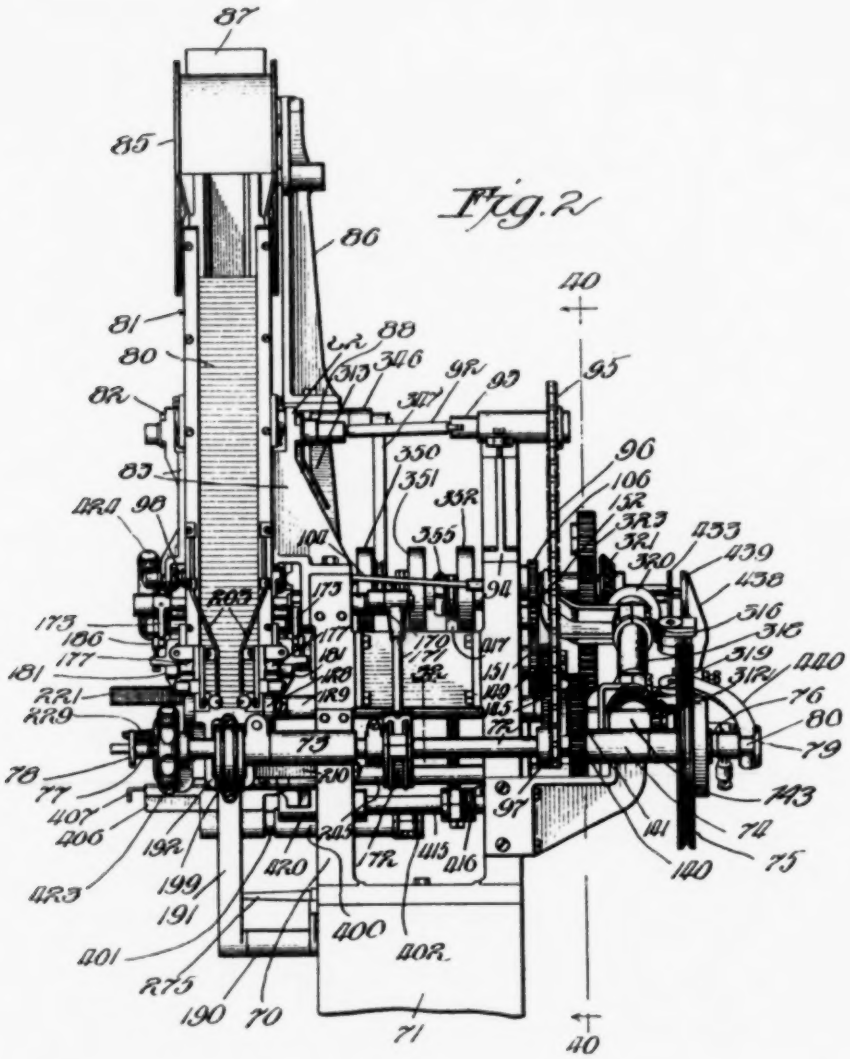
APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916

27 SHEETS—SHEET 2.

Fig. 2



Witnesses:

Harry S. Gather

E. Stahl

Inventor:

Albert M. Price

by Dyrenforth, Lee, Christy & Wiles,

Attys

4456

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 3.

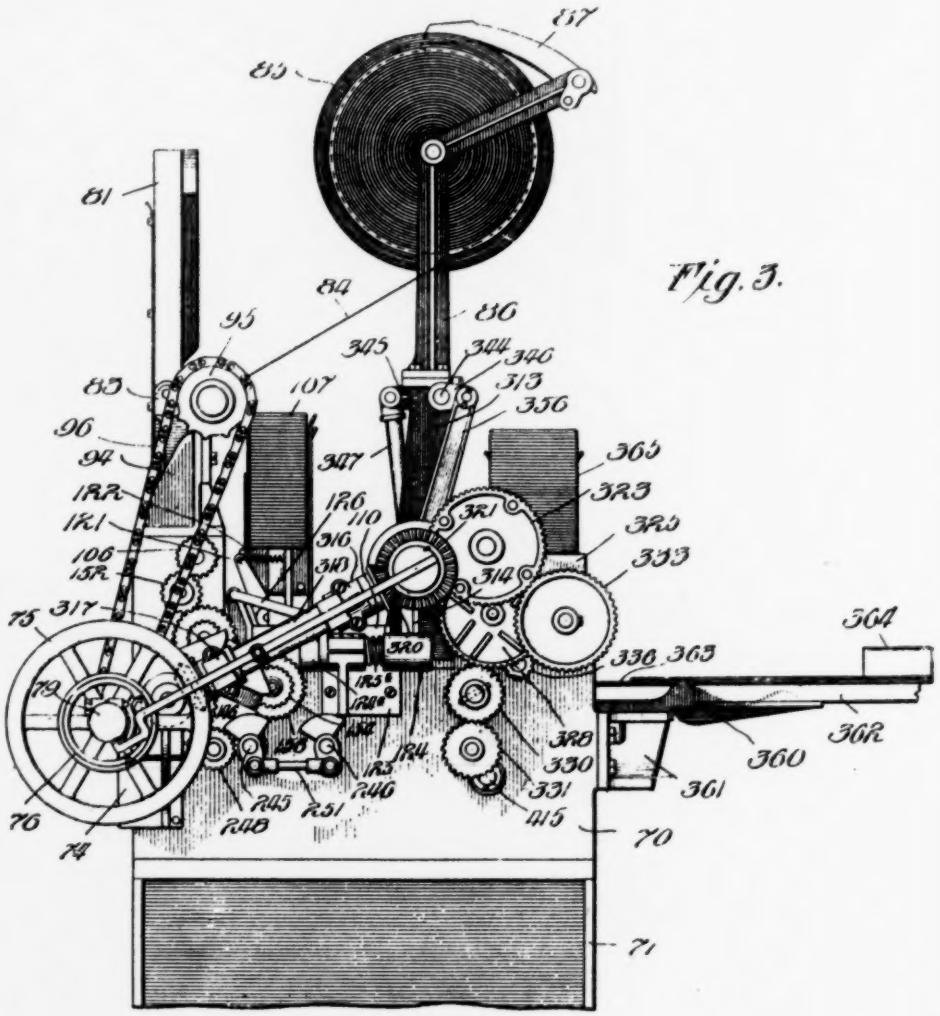


Fig. 3.

Witnesses

Harry S. Gaither

Stuhl

Inventor

Albert M Price

by Dyrenforth, Lee, Christy & Wheeler

Attys

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

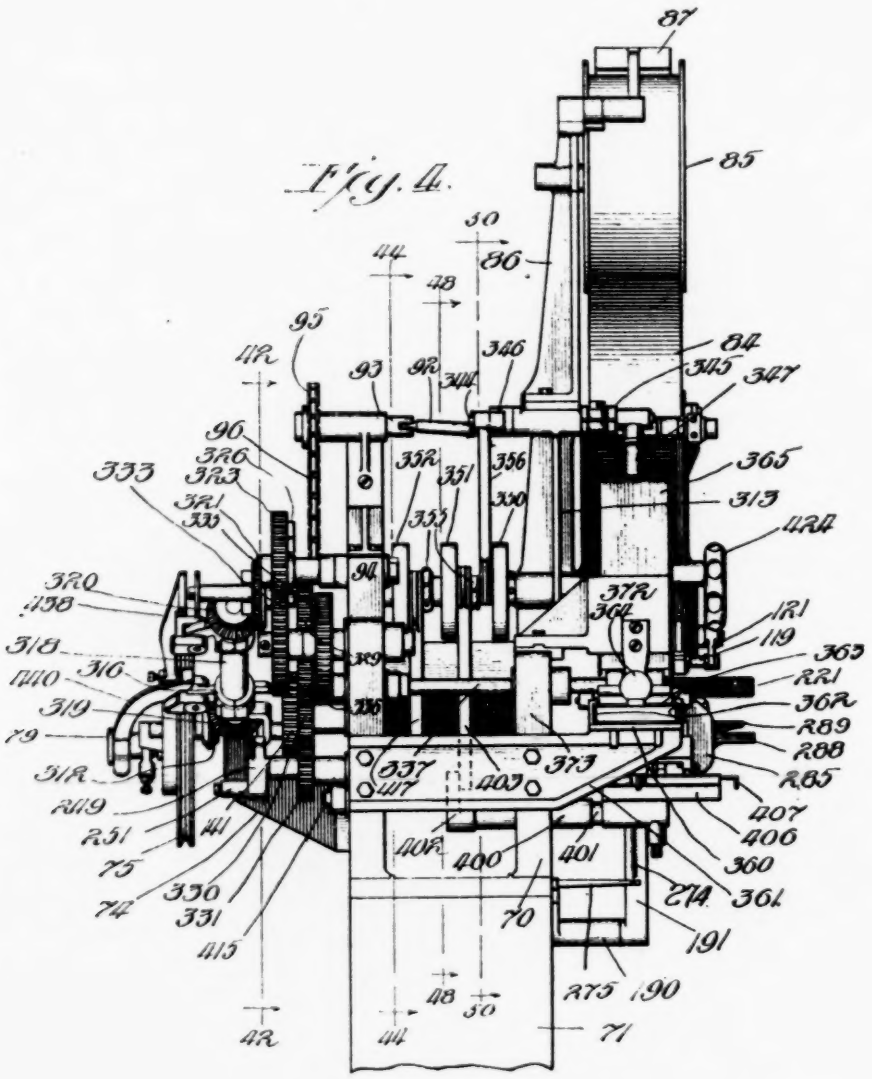
4451

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 4.

Fig. 4.



Witnesses:

Harry S. Guilbert

E. Duell

Inventor:

Albert M. Price

by Dyrenforth, Lee, Chritton & Wiles,

Attys

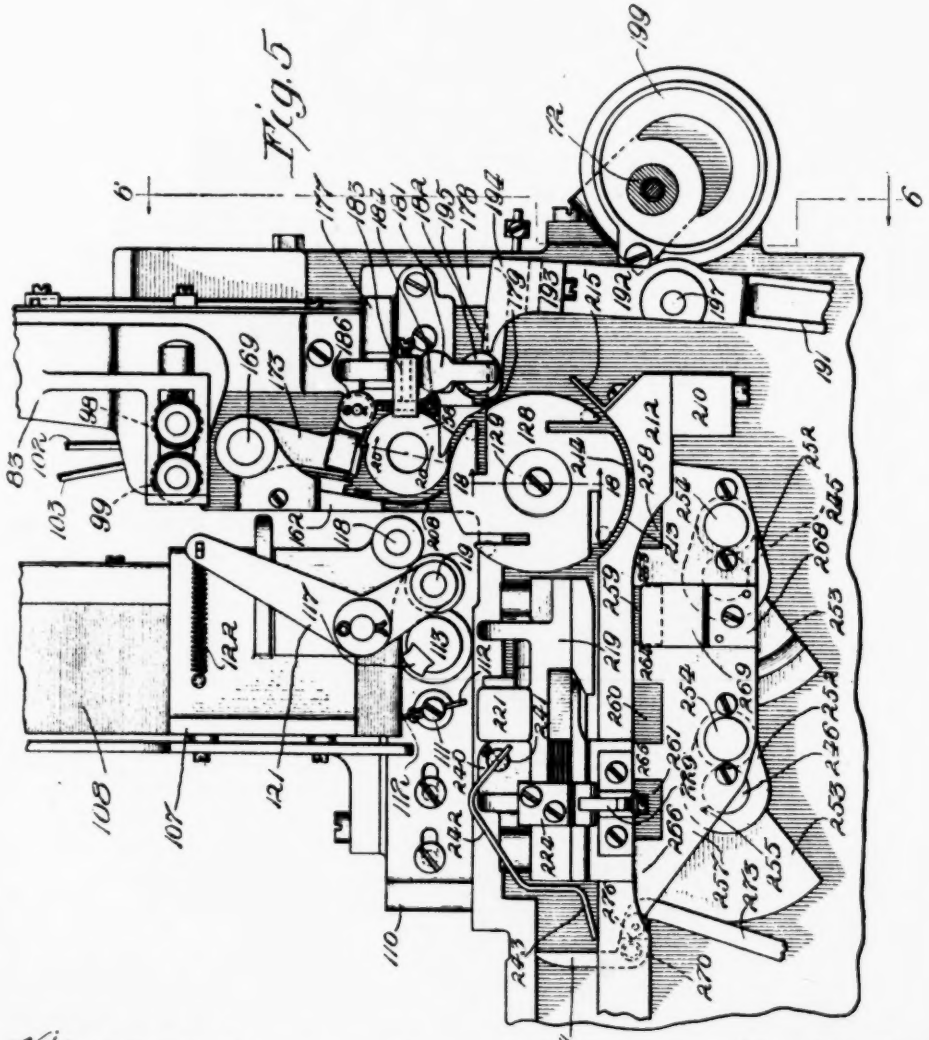
4453

A. M. PRICE.
WRAPPING MACHINE.
APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.
27 SHEETS—SHEET 5.

Fig. 5



Witnesses:
Harry S. Gaither
F. Stude

Inventor
Albert M. Price
by Dyrenforth, Lee, Chrisman & Miles,
Attys

A. M. PRICE.
WRAPPING MACHINE.
APPLICATION FILED APR. 8, 1913.

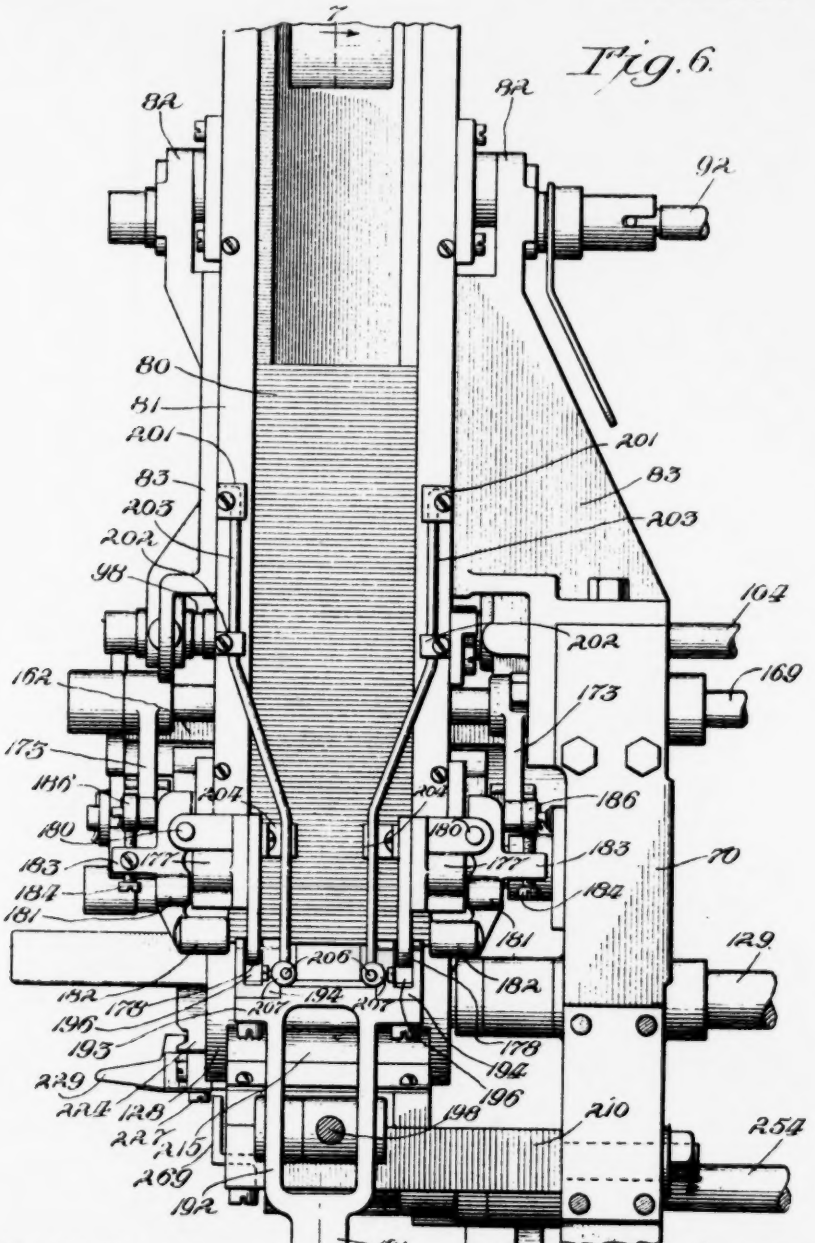
4453

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 6.

Fig. 6.



Witnesses
Harry S. Gaither Jr.
J. D. Stubb

Inventor:
Albert M. Price
by Dyrenforth, Lee, Christy & Wiles
Attys

4454

A. M. PRICE.

WRAPPING MACHINE.

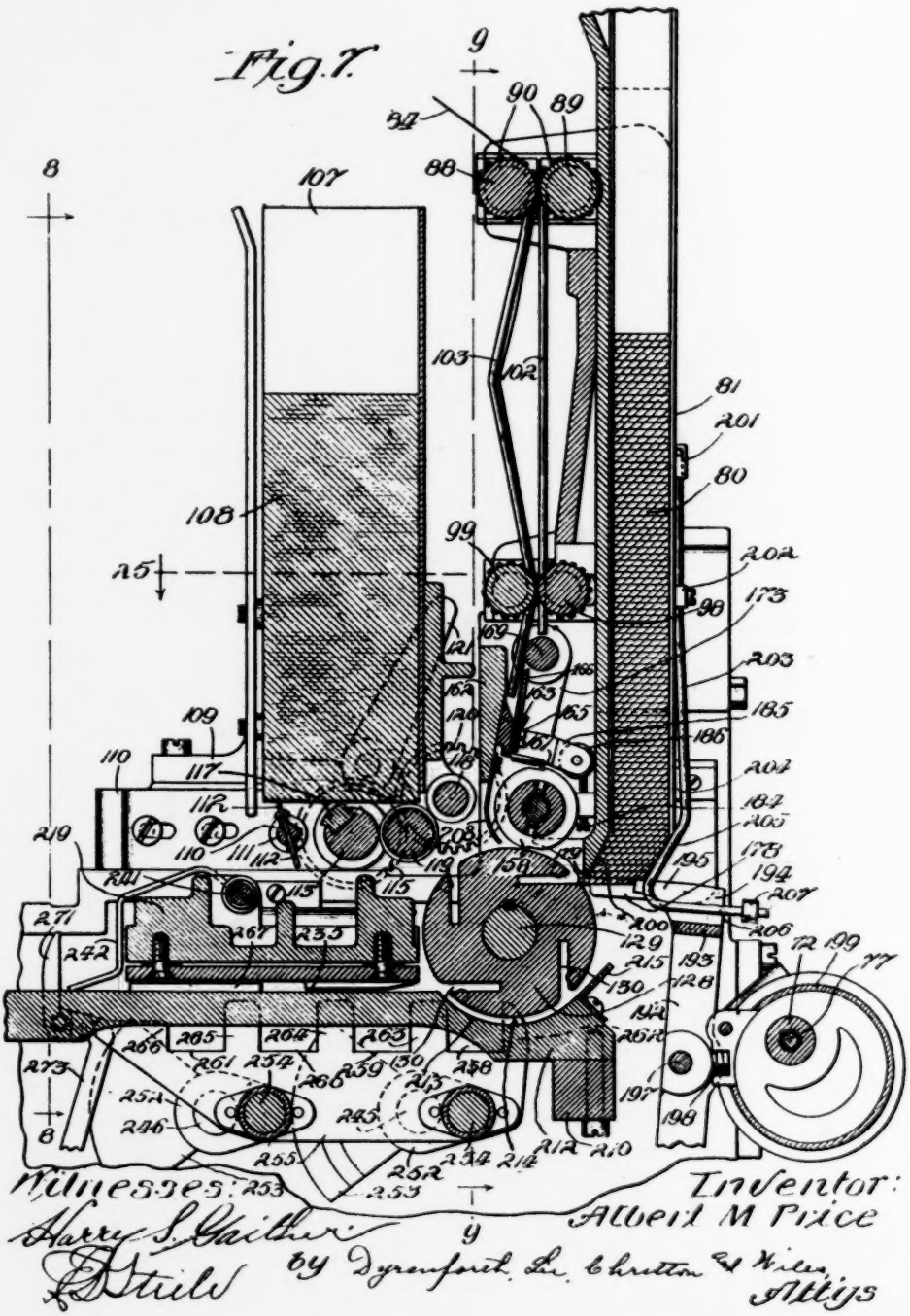
APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 7.

Fig. 7.



A. M. PRICE.

WRAPPING MACHINE.

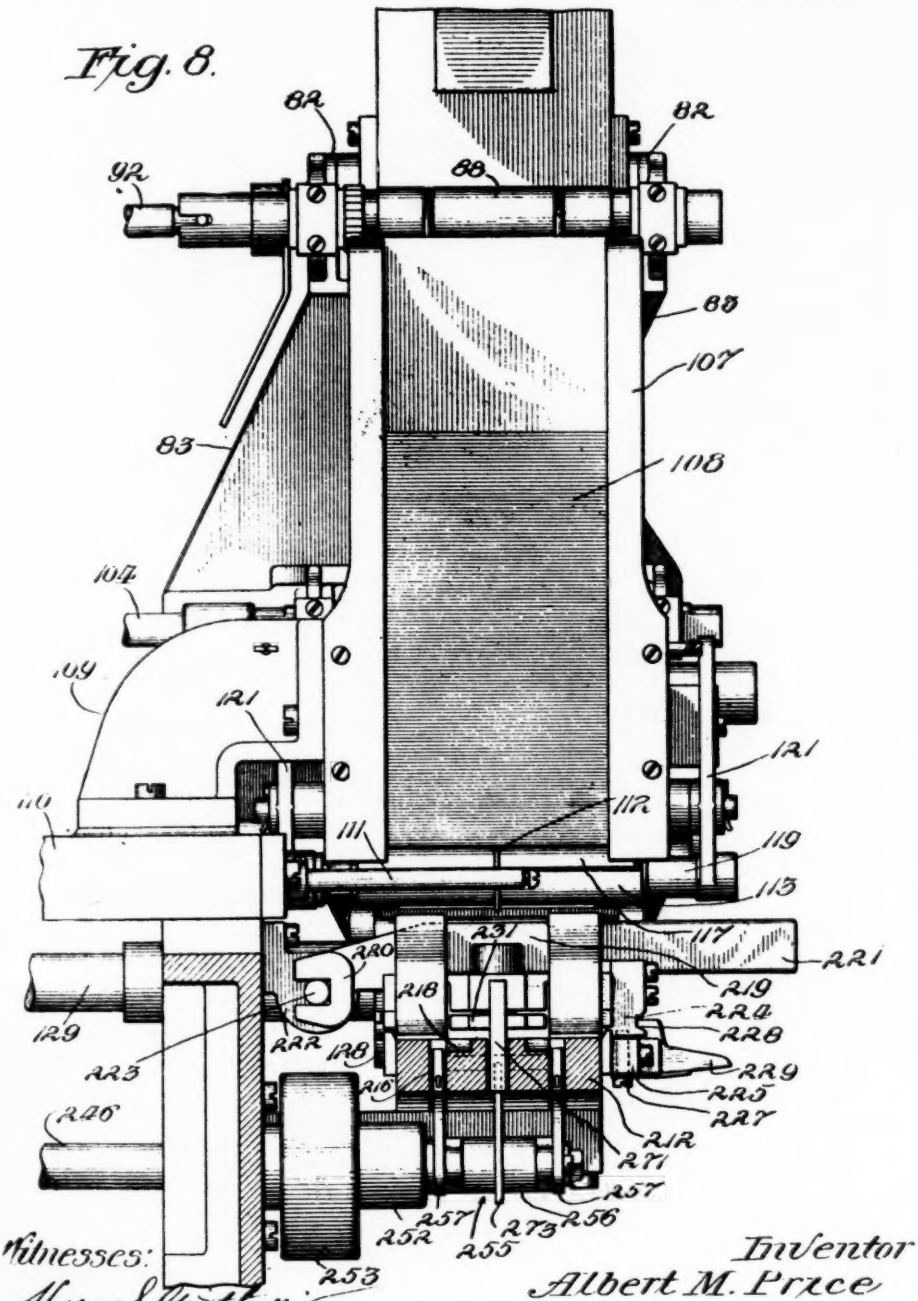
APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 8.

Fig. 8.



Witnesses:

Harry S. Gardner

E. Stuelw

Inventor:

Albert M. Price

by Dyrenforth, Lee, Chrisman & Hales,

Attys

1456

A. M. PRICE.

WRAPPING MACHINE.

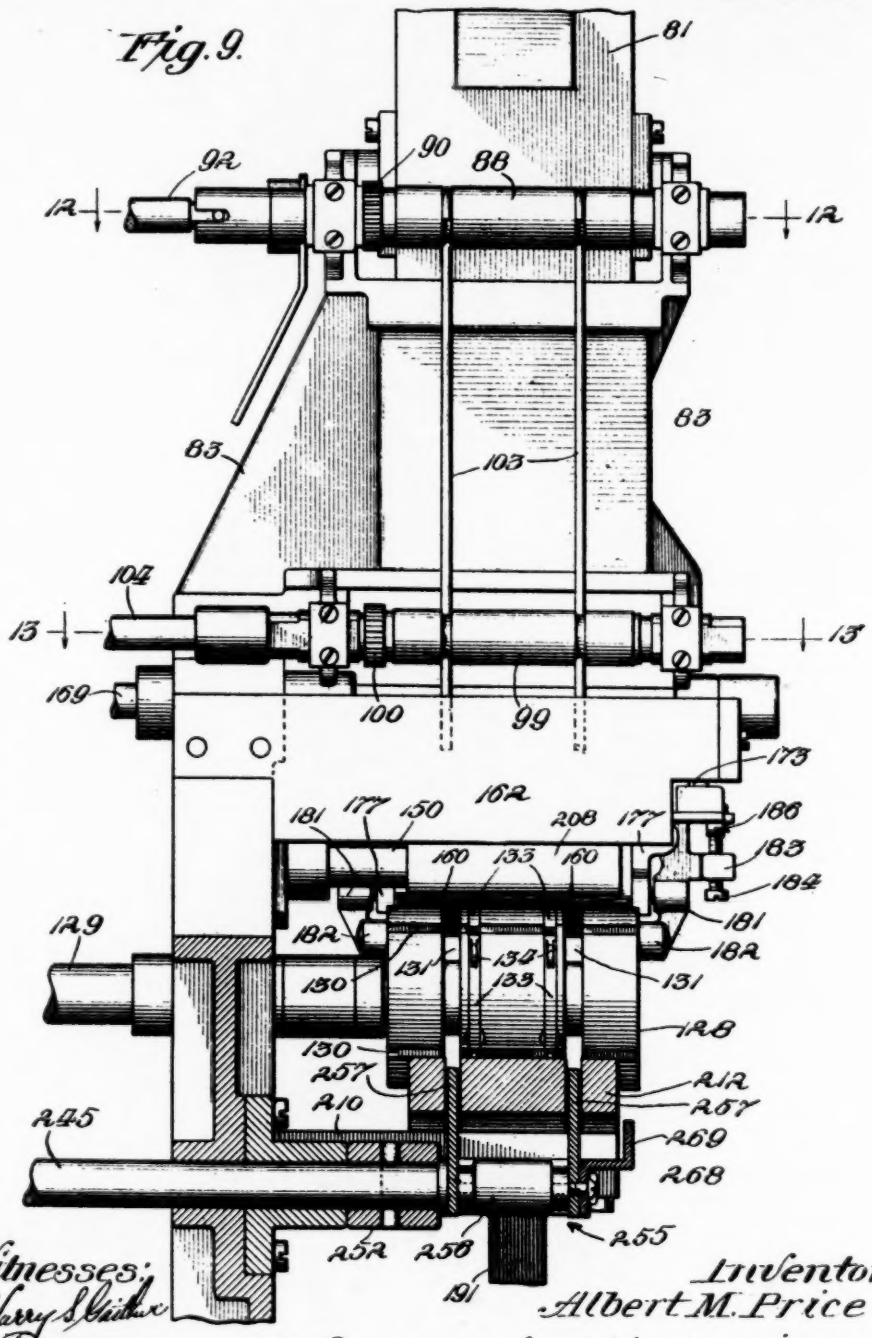
APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 9.

Fig. 9.



Witnesses:

Harry S. Gridley

Inventor:

Albert M. Price

by Dyrenforth, Lee, Christy & Wiles.

Attys.

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

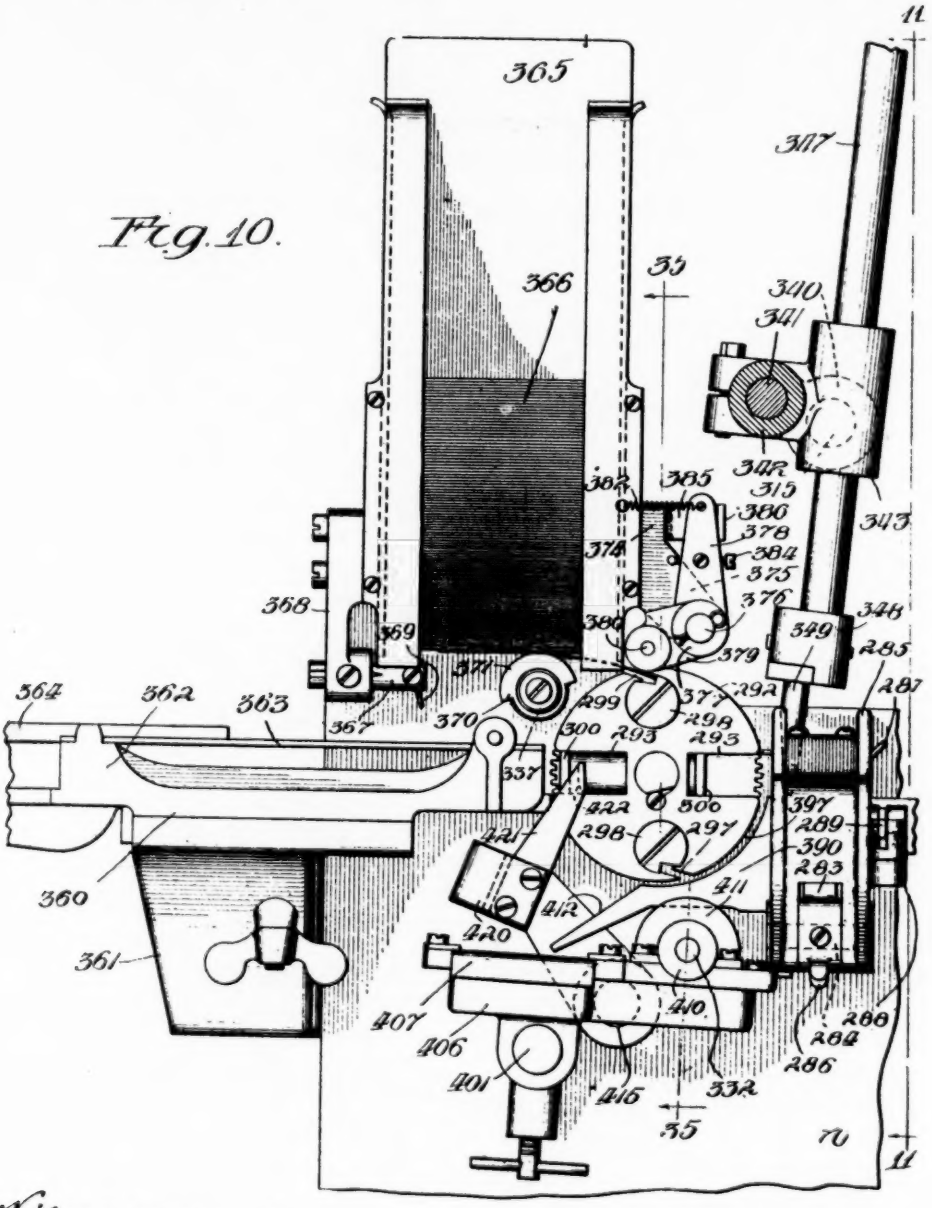
1457

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 10

Fig. 10.



Witnesses:

Harry S. Gaither

Louis

Inventor:

Albert M Price

by Dyrenforth, Lee, Chrisman & Walker

Attys

1458

A. M. PRICE.

WRAPPING MACHINE.

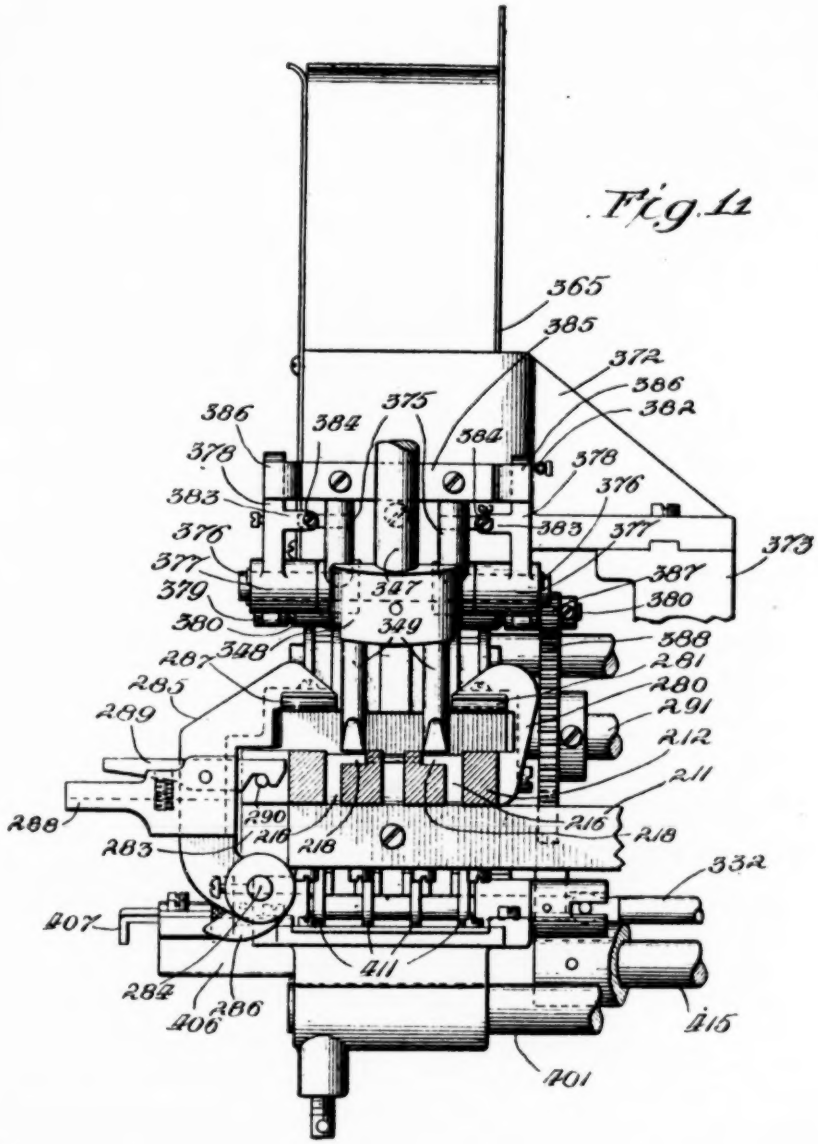
APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 11.

Fig. 11.



Witnesses:

Harry S. Gaither

[illegible]

Inventor

Albert M. Price

by Dyrenforth, Lee, Chrisman & Miles

Attys

A. M. PRICE.

WRAPPING MACHINE.

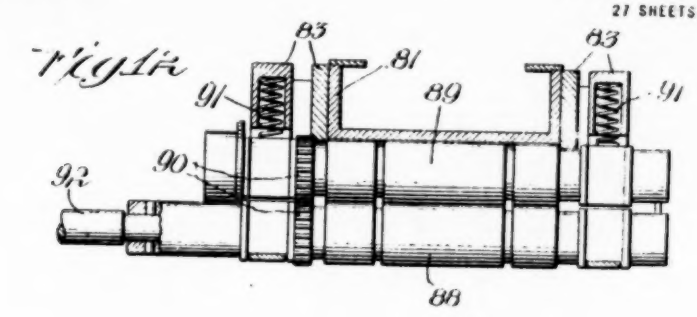
APPLICATION FILED APR. 8, 1913.

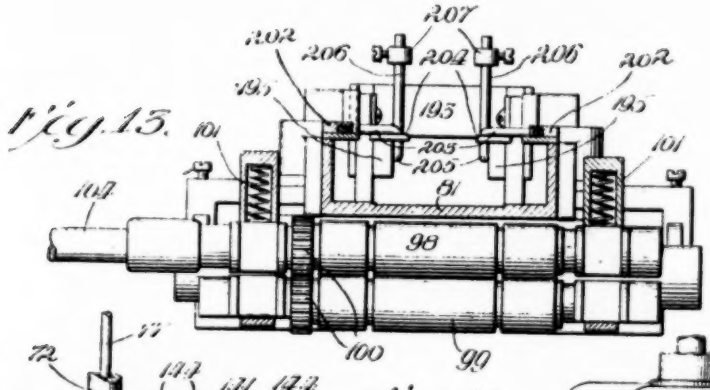
1459

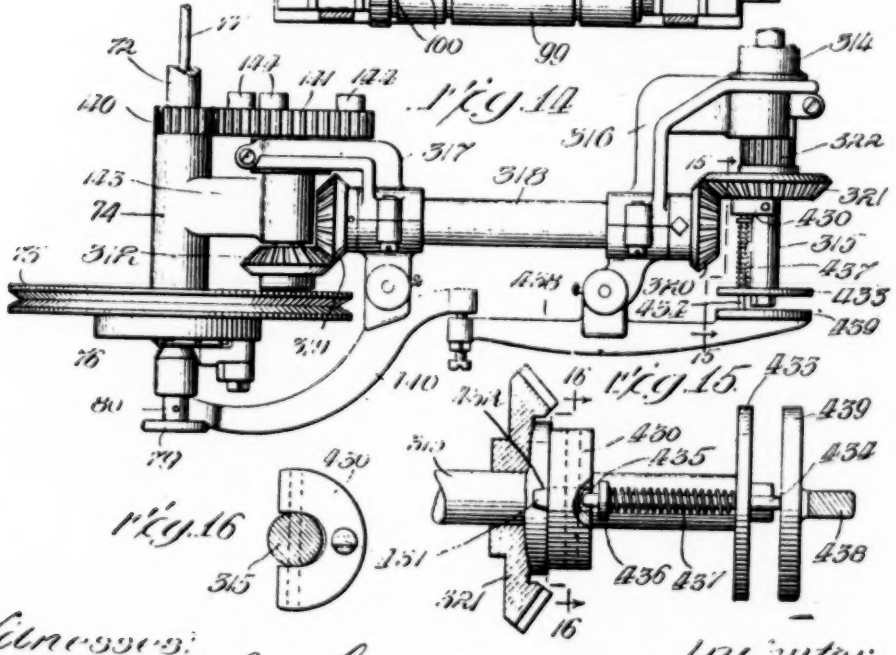
1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 12







Witnesses:

Harry S. Gaither

F. Stulw

Inventor

Albert M. Price

by Tyrnauth, Lee, Chritton & Wales

Attys

A. M. PRICE.

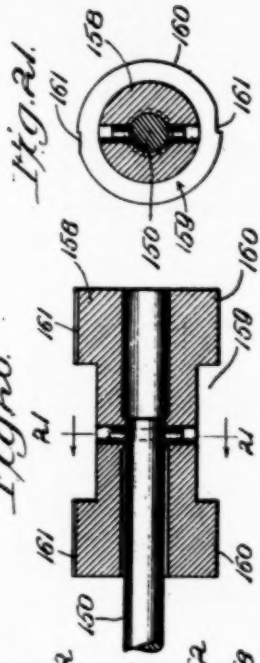
WRAPPING MACHINE.

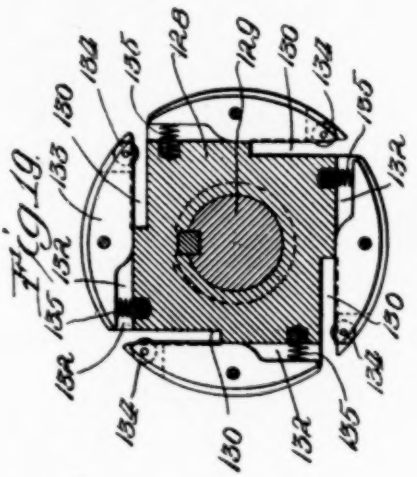
APPLICATION FILED APR. 8, 1913.

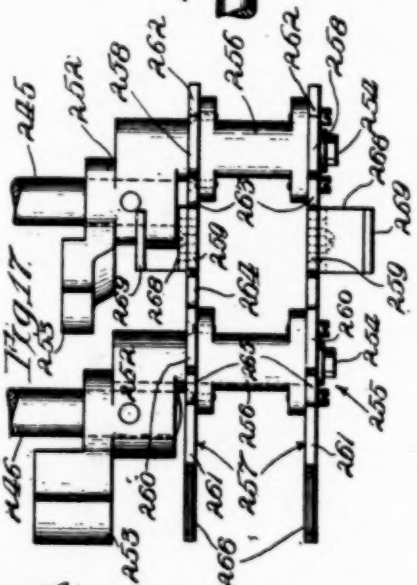
1,185,822.

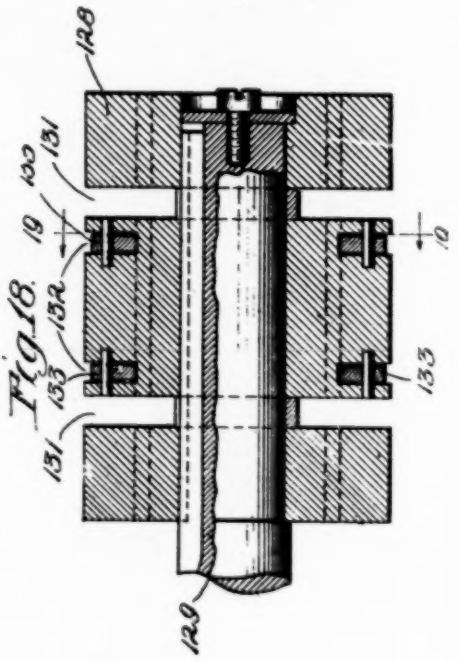
Patented June 6, 1916.

27 SHEETS—SHEET 13.









Witnesses:

Harry S. Gaither

A. Steele

Inventor.

Albert M. Price

by Dyrenforth, Lee, Chrisman & Wise

Attys

A. M. PRICE.

WRAPPING MACHINE.

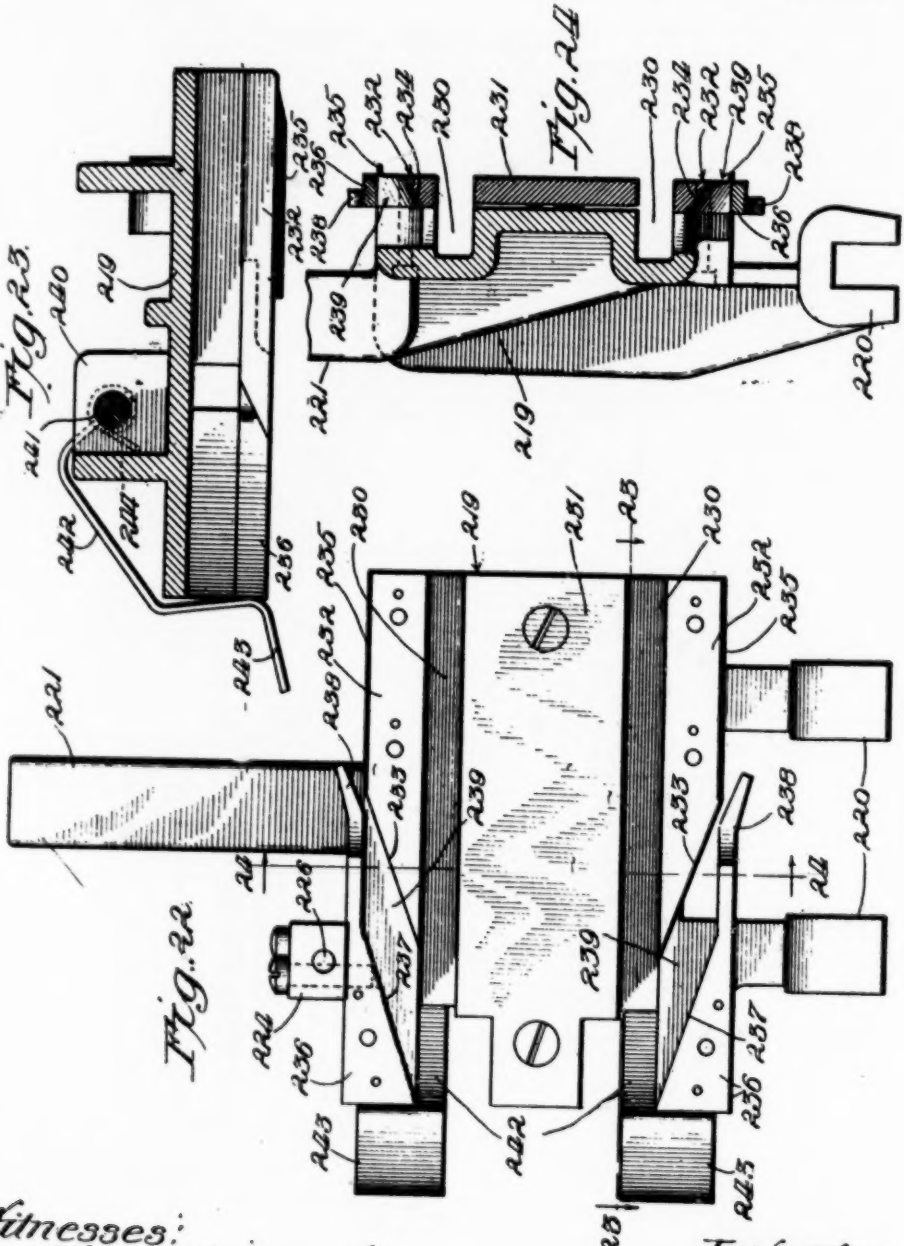
APPLICATION FILED APR. 8, 1913.

1461

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 14.



Witnesses:

Harry S. Gaither

A. D. Stuart

Inventor:

Albert M. Price

by Dyrenforth, Lee, Chrisman & Miller,

Attys

4462

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 15.

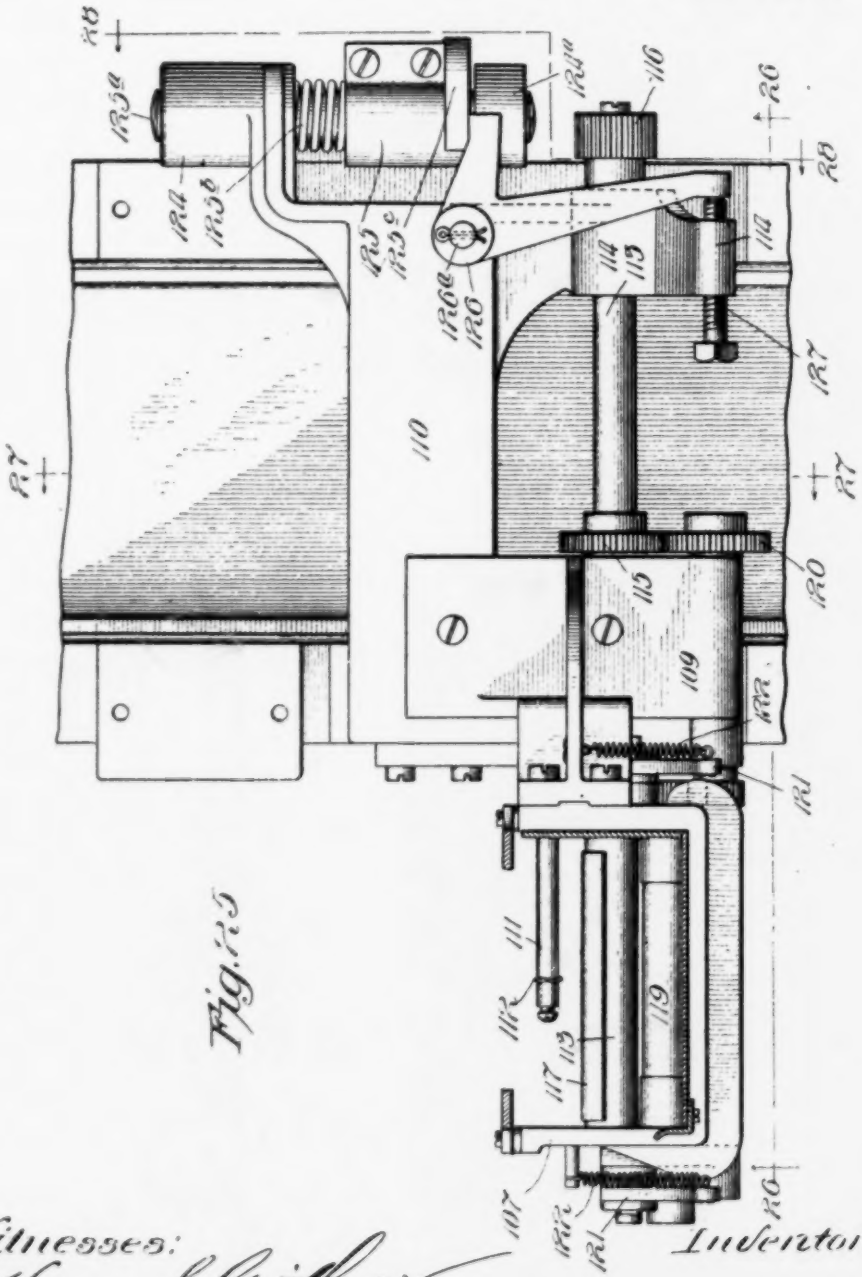


Fig. 115

Witnesses:

Harry S. Gaither

E. Stark

Inventor:

by Dyrenforth, Lee, Christy & Wiles

Attys

A. M. PRICE.

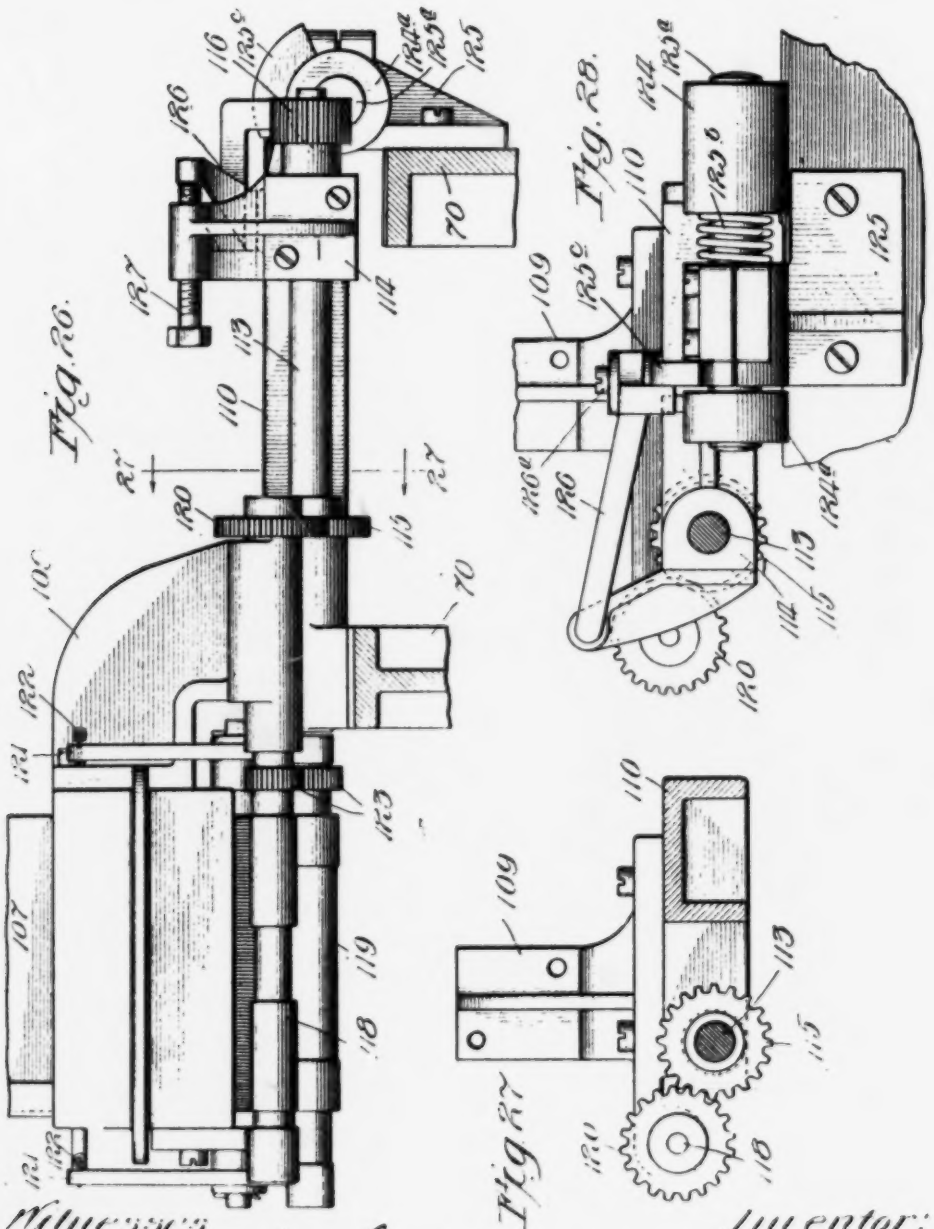
WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 16.



Witnesses:
Harry S. Gaither
E. D. Lee

Inventor:
Albert M Price
by Dyrenforth Lee Christen & Wilkes
Attys

4464

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 17.

Fig. 29.

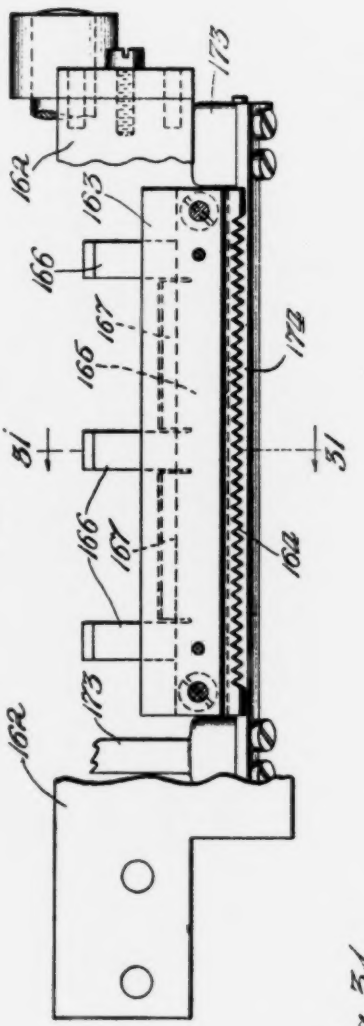


Fig. 30.

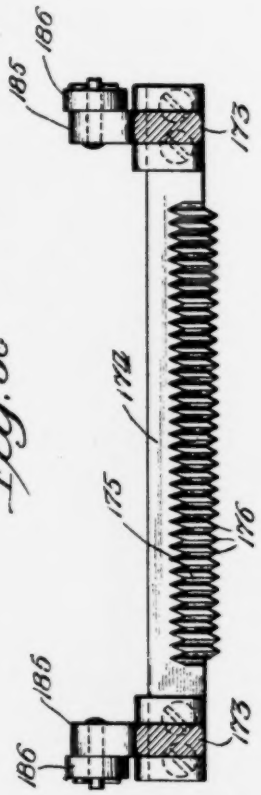
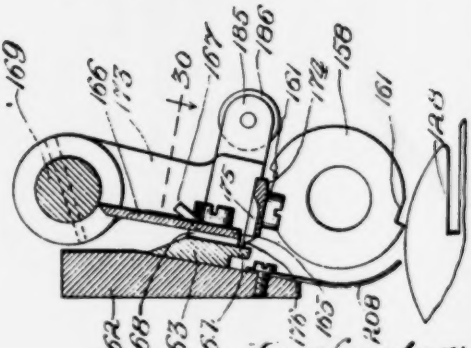


Fig. 31.



Witnesses:

Harry S. Gaither

E. Stuele

Inventor:

Albert M. Price

by Dyrenforth, Lee, Chrisman & Miles,

Attys

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

4465

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 18.

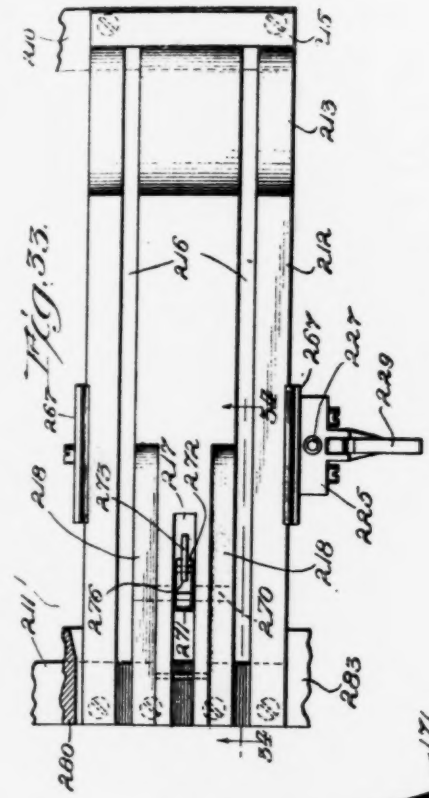


Fig. 33.

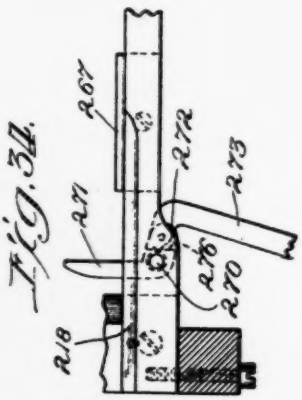


Fig. 32.

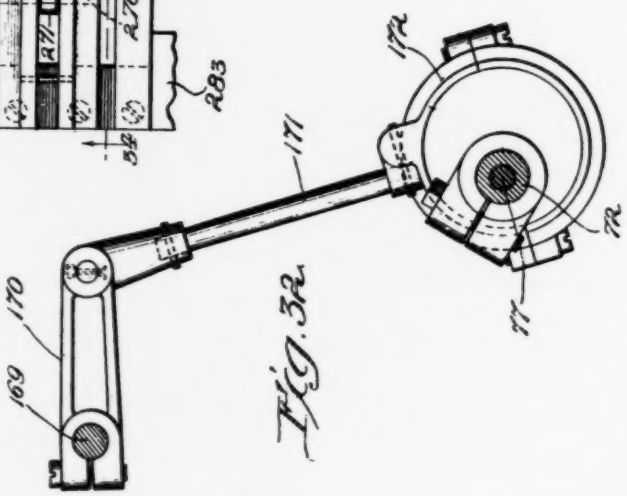


Fig. 32.

Witnesses:

Harry S. Gaither

Stuart Cy

Inventor:

Albert M. Price

Dyrenforth Lee Christy & Niles

Attys

4466

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 19.

Fig. 35

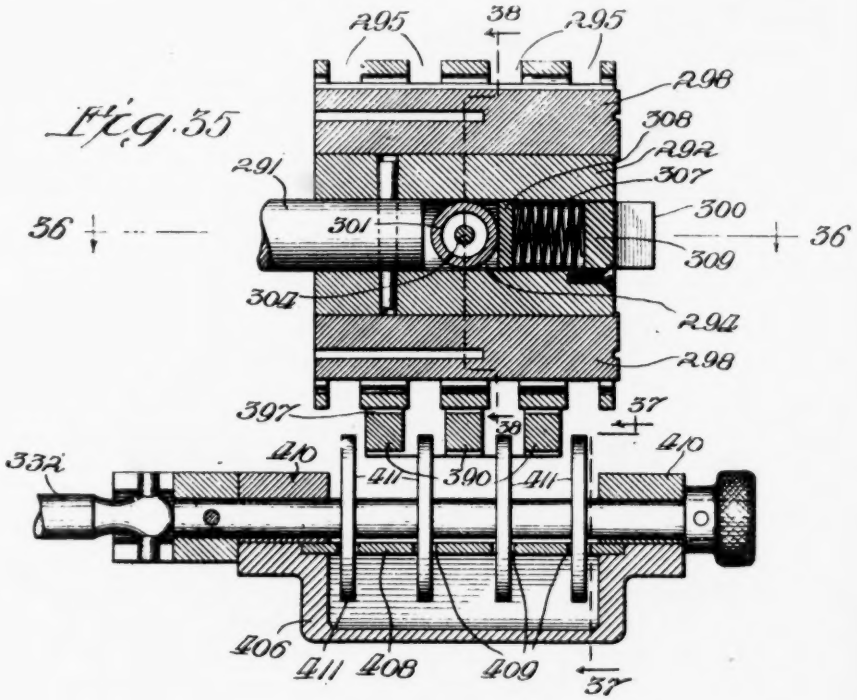
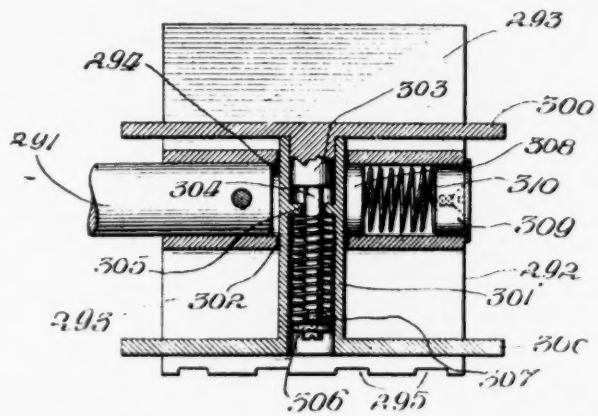


Fig. 36



Witnesses:
Harry S. Gaither
Ethel W

Inventor:
Albert M. Price
by Dyrenforth, Lee, Christy & Wiles,
Attys

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

4467

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 20.

Fig. 37.

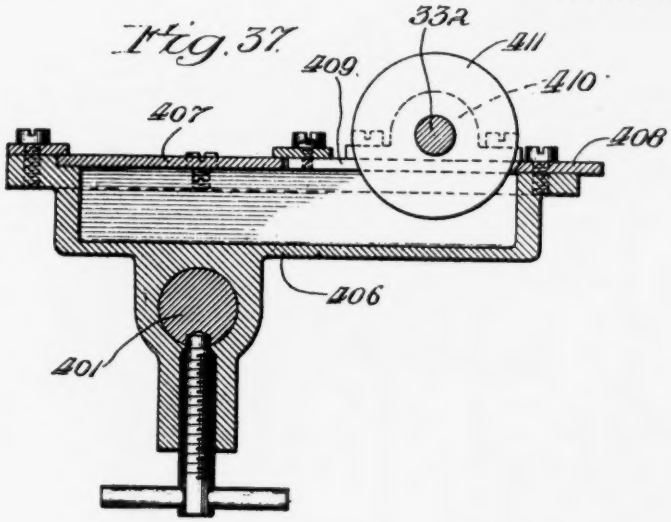


Fig. 38.

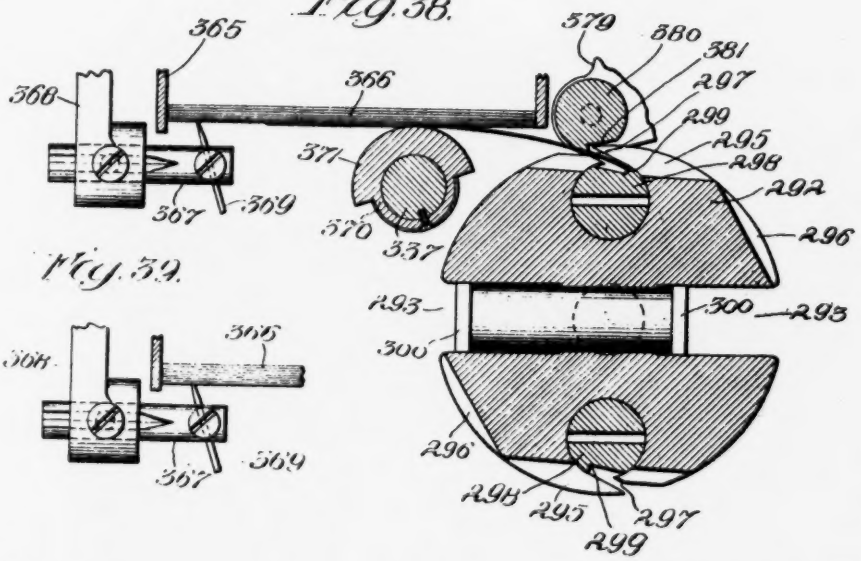


Fig. 39.

Witnesses:

Harry S. Gaither

E. Steele

Inventor:

Albert M. Price

by Dyrenforth, Lee, Christy & Wiles.

Attys

4468

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 21.

Fig. 41.

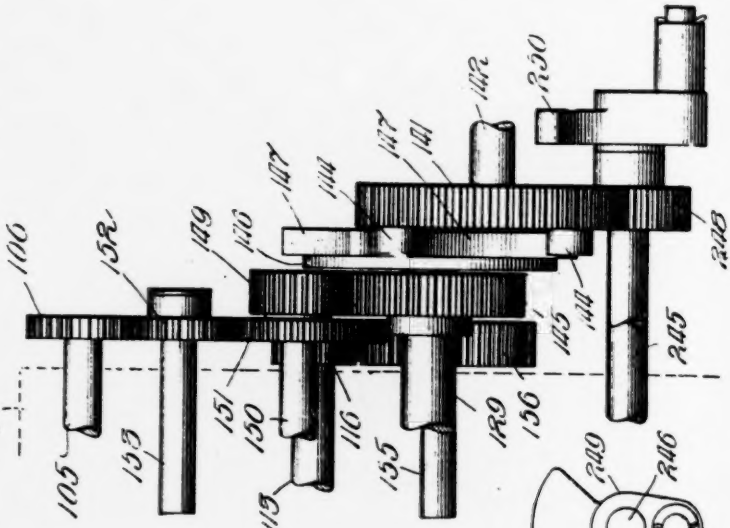
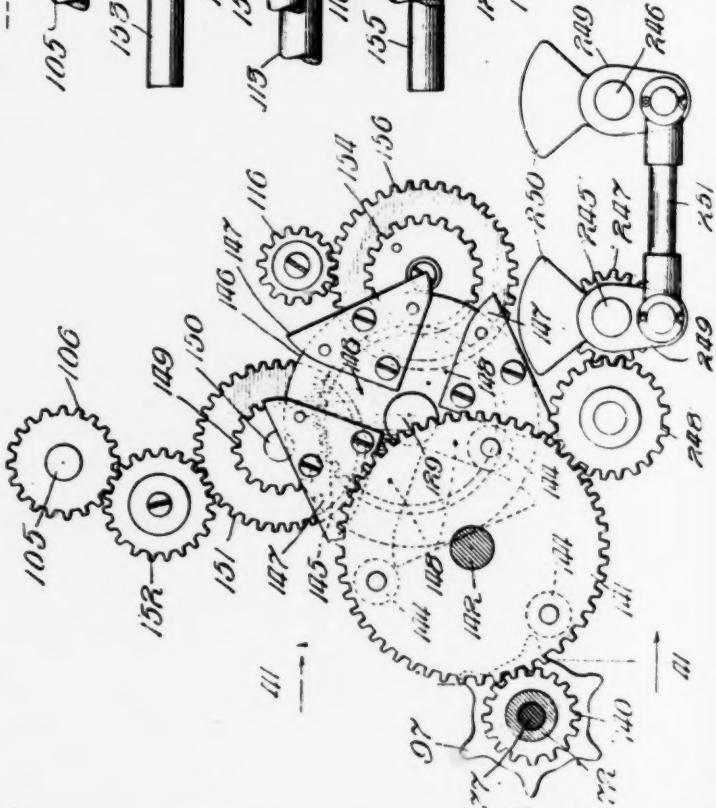


Fig. 40.



Witnesses:

Harry S. Gaither

F. D. Stubb

Inventor:

Albert M. Price

by Dyrenforth, Lee, Christy Wiley & Wales.

Attys

A. M. PRICE.

WRAPPING MACHINE.

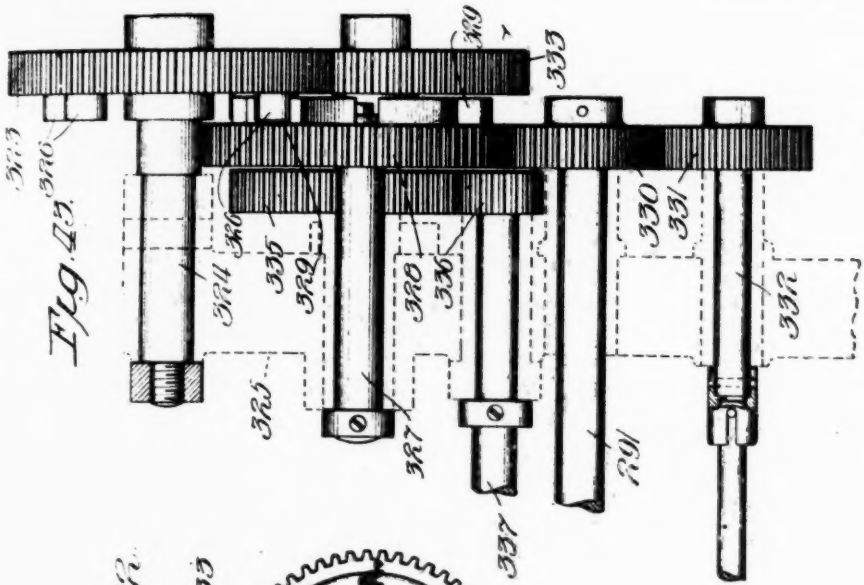
APPLICATION FILED APR. 8, 1913.

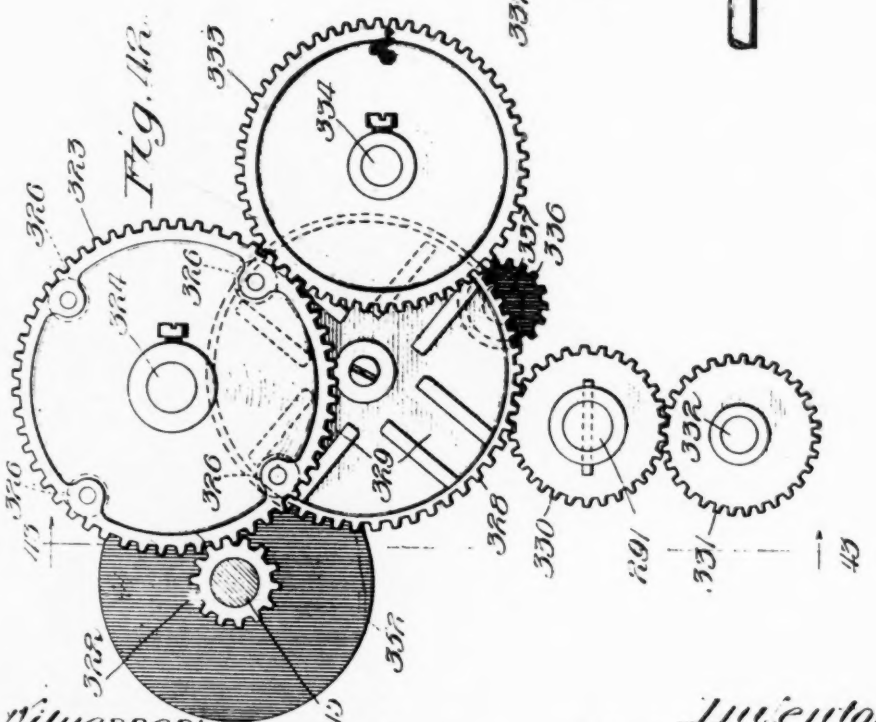
4469

1,185,822.

Patented June 6, 1916.

27 SHEETS--SHEET 22.





Witnesses:

Harry S. Gaither

E. R. Stull

Inventor:

Albert M. Price

by Dyrenforth Lee Chrisman & Miller

Attys.

4470

A. M. PRICE.

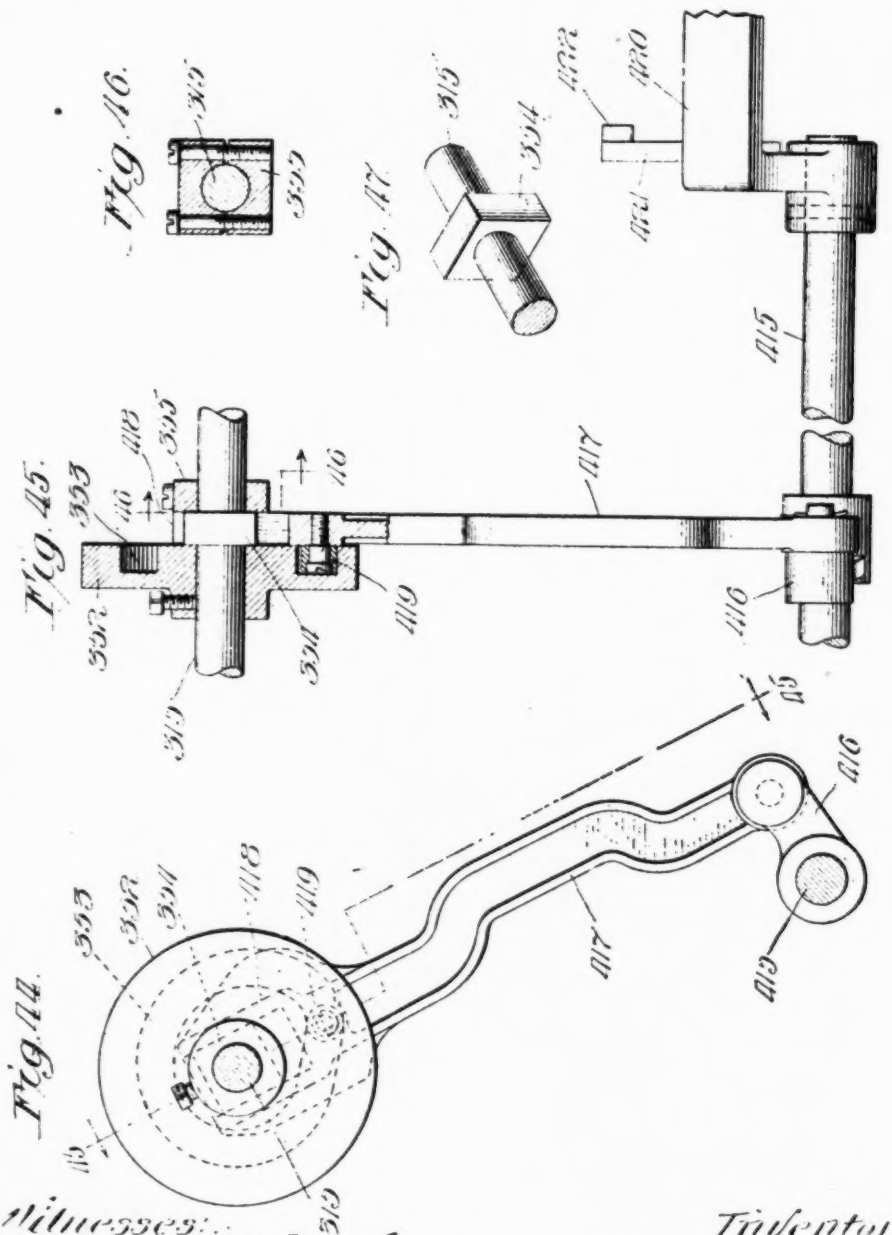
WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 23.



Witnesses:
Harry S. Gaither
E. Stuebi

Inventor:
Albert M. Price
by Dyrenforth, Lee, Chritton & Hiles,
Attys

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

4471

1,185,822.

Patented June 6, 1916.

27 SHEETS--SHEET 24.

FIG. 49.

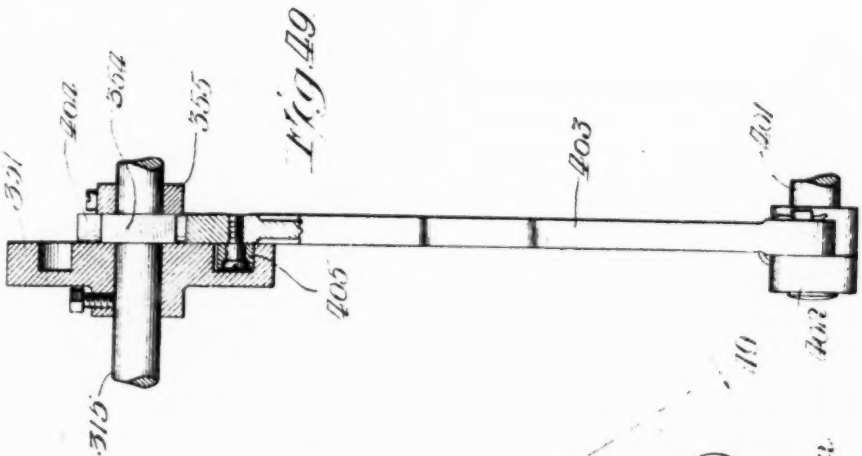
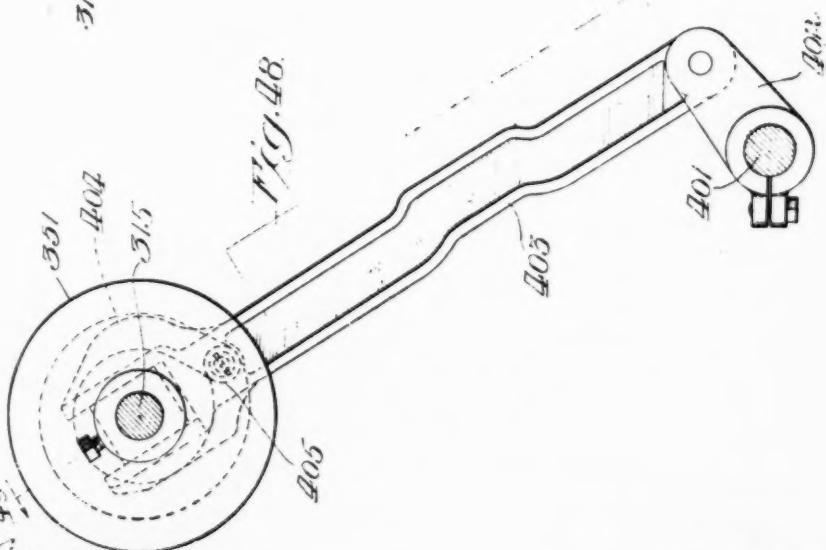


FIG. 48.



Witnesses:

Harry S. Gaither

E. Blake

Inventor:

Albert M. Price

by Dyrenforth, Lee, Chritton & Wiles

Attys.

447?

A. M. PRICE.

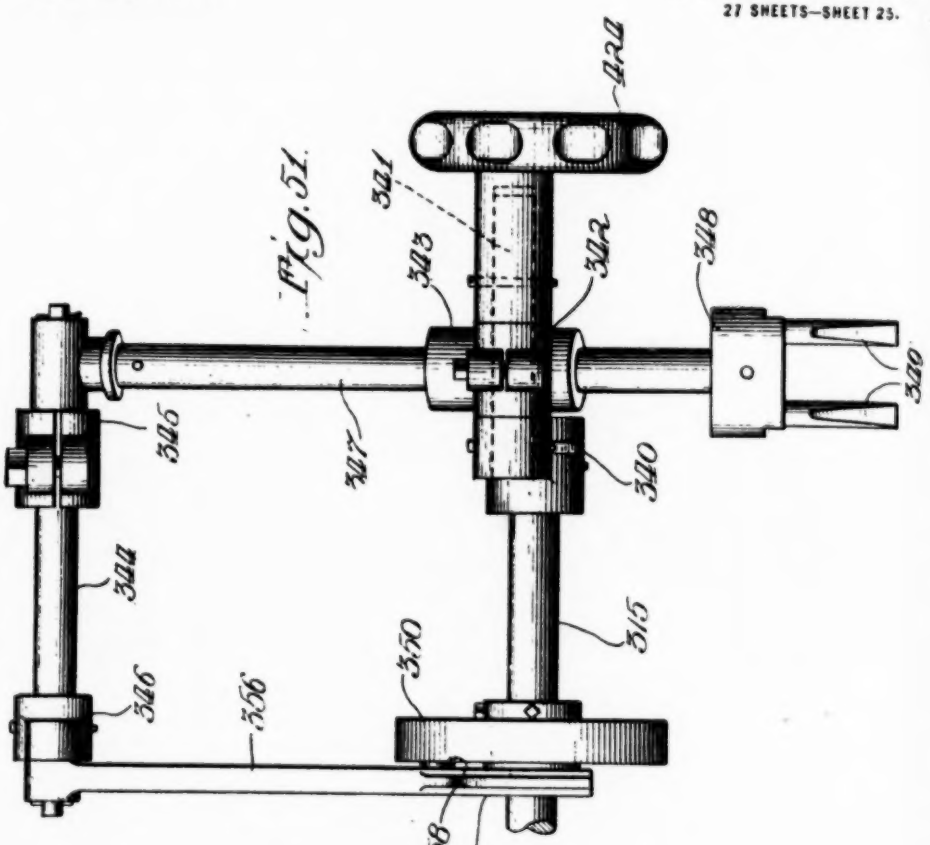
WRAPPING MACHINE.

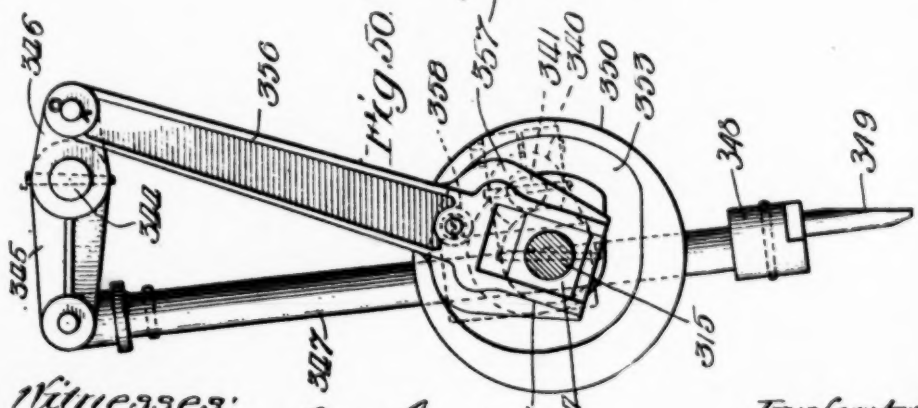
APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 25.





Witnesses:

Harry S. Gaither

F. D. Stuld

Inventor:

Albert M. Price

by Dyrenforth, Lee, Chrisman & Miles,

Attys

A. M. PRICE.

WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 26.

Fig. 52.

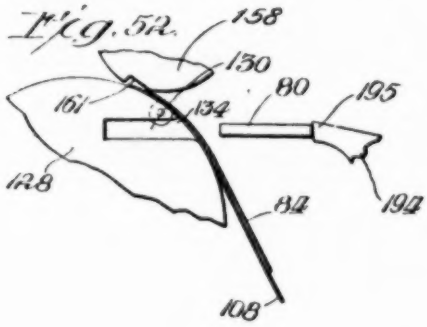


Fig. 53.

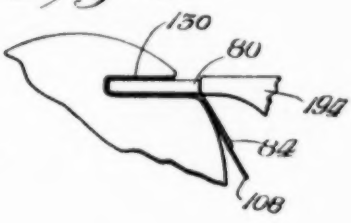


Fig. 54.

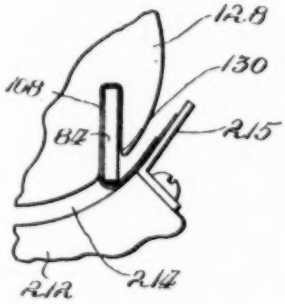


Fig. 55.

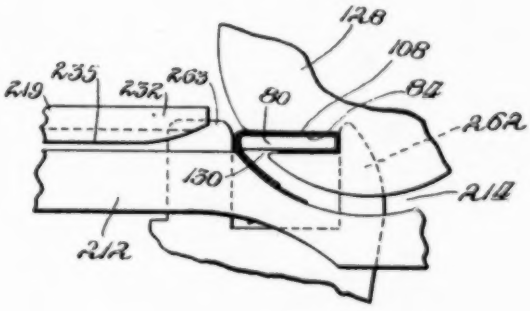


Fig. 56.

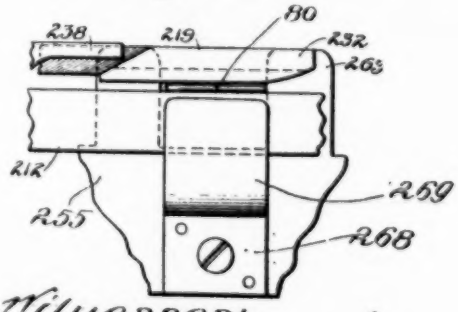
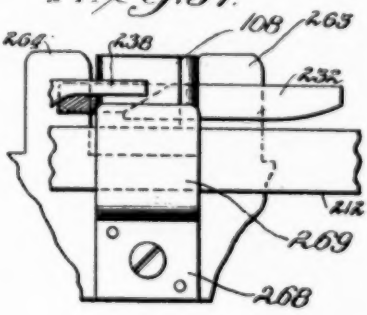


Fig. 57.



Witnesses:

Harry S. Gaither

F. E. Steele

Inventor.

Albert M. Price

by Dyrenforth, Lee, Christy & Miles,

Attys.

4474

A. M. PRICE.

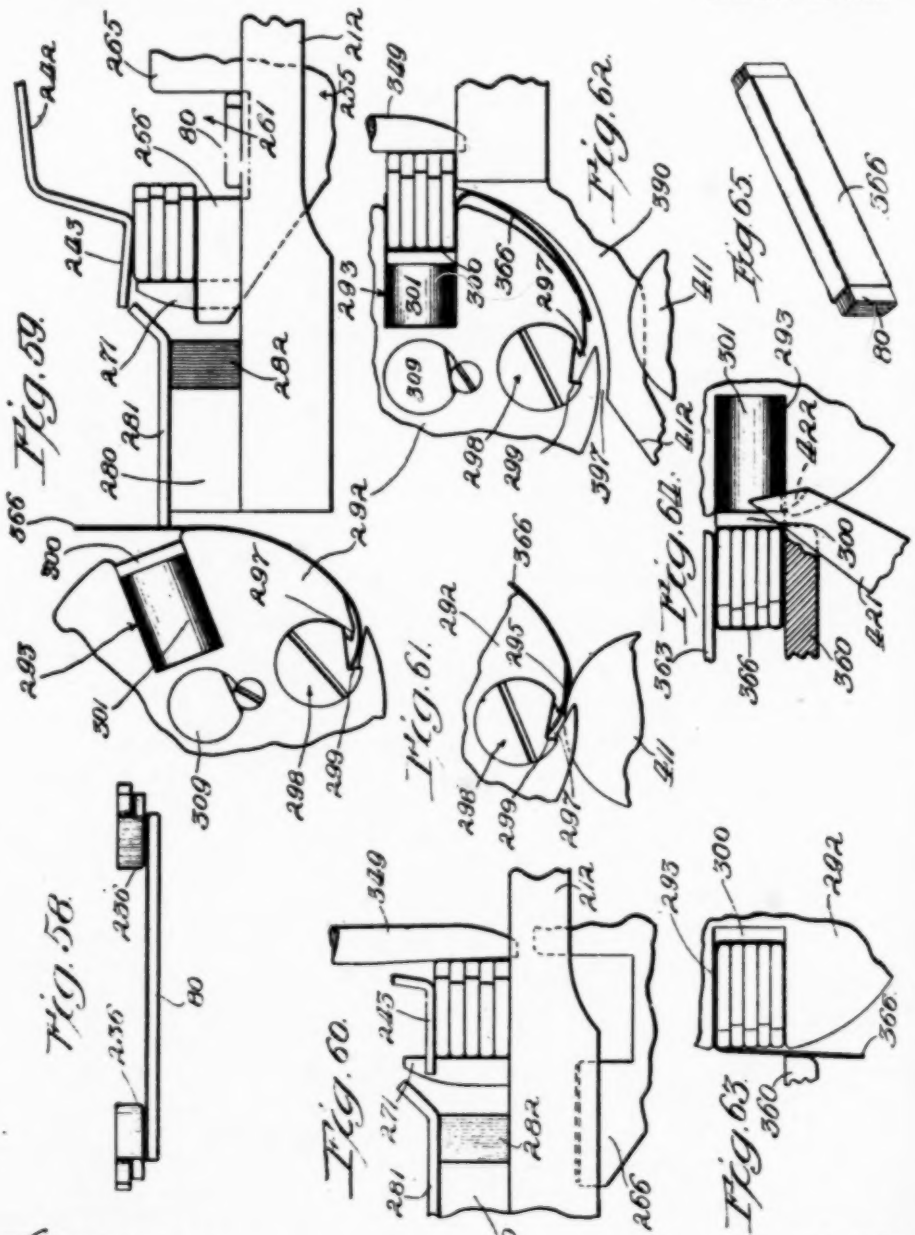
WRAPPING MACHINE.

APPLICATION FILED APR. 8, 1913.

1,185,822.

Patented June 6, 1916.

27 SHEETS—SHEET 27.



Witnesses:
Harry S. Gaither
Otto Ruhl

Inventor
Albert M. Price.
by Dyrenforth, Lee, Chritton & Wiles.
Attys.

UNITED STATES PATENT OFFICE.

ALBERT M. PRICE, OF ELGIN, ILLINOIS.

WRAPPING-MACHINE.

1,185,822. Specification of Letters Patent. Patented June 6, 1916.

Application filed April 8, 1913. Serial No. 759,657.

To all whom it may concern:

Be it known that I, ALBERT M. PRICE, a citizen of the United States, residing at Elgin, in the county of Kane and State of Illinois, have invented new and useful Improvements in Wrapping-Machines, of which the following is a specification.

My invention relates to improvements in machines for applying wrappers to small articles such, for example, as sticks of chewing-gum; my object being to provide a machine of this character of a generally improved and perfected construction which renders it very compact, strong and durable, as well as particularly quick, smooth-running and reliable in operation.

In the accompanying drawings I show a machine of my improved construction adapted for wrapping and forming packages of rectangular and flat-sided sticks of chewing-gum in the conventional way; by applying to each individual stick an inner wrapper, of water-proof paper, and an outer paper wrapper or label, then assembling the wrapped sticks into bundles of five and finally binding the bundle with a band or label, the ends of which are pasted together, to complete the package.

Referring to the drawings,—Figure 1 is a front elevation of the machine; Fig. 2, a view in elevation of the right-hand side of the machine; Fig. 3, a similar view of the rear side of the machine; Fig. 4, a similar view of the left-hand side of the machine; Fig. 5, an enlarged broken elevation of a portion of the front of the machine with a part in section; Fig. 6, an enlarged broken view of a portion of the right-hand side of the machine partly in section, the section being taken on line 6 in Fig. 5; Fig. 7, a section taken on line 7 in Fig. 6; Fig. 8, a broken, partly sectional view taken at line 8 in Fig. 7; Fig. 9, a similar view taken at line 9 in Fig. 7; Fig. 10, a broken elevation of a portion of the front of the machine with a part in section, the view being in effect a continuation of the view shown in Fig. 5; Fig. 11, a broken sectional view, the section being taken on line 11 in Fig. 10; Figs. 12 and 13, broken plan sections taken respectively on lines 12 and 13 in Fig. 9; Fig. 14, an enlarged broken plan view showing details of the main drive and safety-clutch mechanism; Fig. 15, a broken and partly sectional view of the safety-clutch mechanism, the section being taken on line 15 in Fig. 14; Fig. 16, a section taken on line 16 in Fig. 15; Fig. 17, a detail plan view of a movable transporter cooperating with other stationary and movable details to fold the ends of the wrappers and assemble the wrapped sticks into bundles; Fig. 18, an enlarged broken section taken on line 18 in Fig. 5; Fig. 19, a section taken on line 19 in Fig. 18; Fig. 20, an enlarged section taken on line 20 in Fig. 5; Fig. 21, a section taken on line 21 in Fig. 20; Fig. 22, a detail bottom plan view of one of the features of the wrapper-end folding and bunch-assembling mechanism with which the transporter shown in Fig. 17 coöperates; Figs. 23 and 24, sections taken respectively on lines 23 and 24 in Fig. 22; Fig. 25, a broken partly sectional plan view, taken on line 25 in Fig. 7, showing an adjustable hinged frame carrying the label-magazine and intermittently actuated mechanism for feeding the outer wrapper or label against the inner wrapper preparatory to the initial step of folding both wrappers around a stick of gum; Fig. 26, a section taken on line 26 in Fig. 25 and showing features of the same mechanism in elevation; Fig. 27, a section taken on line 27 in Figs. 25 and 26; Fig. 28, a broken end-view partly in section of the features shown in Figs. 25 and 26, the section being taken on line 28 in Fig. 25; Fig. 29, an enlarged view taken from line 9 in Fig. 7 with parts broken away and illustrating details of construction of cutter mechanism for severing a web of paraffin-paper to form the inner wrappers; Fig. 30, a section taken on line 30 in Fig. 31 and showing the lower vibratory cutter-blade; Fig. 31, a section taken on line 31 in Fig. 29; Fig. 32, an enlarged section taken on line 32 in Fig. 2 and showing an eccentric on the main shaft for rocking the shaft which carries the swinging cutter-blade; Fig. 33, a plan view of a stationary table-portion of the main-frame along which the sticks are advanced by the transporter during the folding of the wrapper-ends; Fig. 34, a broken section taken on line 34 in Fig. 33; Fig. 35, an enlarged section taken on irregular line 35—35 in Fig. 10 through the outer-binder applying and pasting mechanisms; Fig. 36, a section taken on line 36 in Fig. 35; Fig. 37, a section taken on line 37 in Fig. 35; Fig. 38, a broken sectional-view taken on line 38 in Fig. 35 and showing details of the mechanism for sliding the

lowermost package-binder or label from a stack and wrapping it about the package; Fig. 39, a view of certain of the features of construction illustrated in Fig. 38 and showing the way in which the lowermost binders or labels of the stack are supported upon and penetrated by a needle which operates to prevent more than one of the labels from being withdrawn at a time; Fig. 40, an enlarged section taken on line 40 in Fig. 2 showing the main driving gears; Fig. 41, a view taken from line 41 in Fig. 40; Fig. 42, an enlarged section taken on line 42 in Fig. 4 and showing gears which operate the mechanisms for advancing the assembled wrapped sticks, applying the outer binder and discharging the package thus formed; Fig. 43, a broken view partly in section taken from line 43 in Fig. 42; Fig. 44, an enlarged section taken on line 44 in Fig. 4 and showing cam-mechanism which operates the package-discharger; Fig. 45, a broken and partly sectional elevation of details of construction of the package-discharging mechanism, the view being taken on line 45 in Fig. 44; Fig. 46, a section on line 46 in Fig. 45; Fig. 47, a broken perspective view of a detail of the construction shown in Fig. 45; Fig. 48, an enlarged section taken on line 48 in Fig. 4 and showing the cam mechanism which operates the paster for the outer package-binders or labels; Fig. 49, a broken partly sectional view taken on line 49 in Fig. 48; Fig. 50, an enlarged section taken on line 50 in Fig. 4 and showing the mechanism for moving the assembled wrapped sticks from the position where they are assembled into the binder-applying mechanism; Fig. 51, a view in elevation of the parts shown in Fig. 50; Figs. 52 to 64, inclusive, broken-views of successive features of the machine illustrating the progress of sticks of chewing-gum, the manner in which the wrappers are applied thereto, the way they are assembled into bunches of five, the way an outer package-binder or label is applied thereto, and the way the package is discharged; and Fig. 65, a completed package in perspective.

The main-frame 70 of the machine is mounted upon a base or standard 71.

The reference numeral 72 designates a hollow, main-drive-shaft journaled in brackets 73, 74 on the right-hand side of the main-frame. Loosely journaled on the main-shaft is a drive-pulley 75, the shaft and pulley being equipped with engaging and releasing clutch-members 76 of well known construction actuated by a longitudinally movable clutch-rod 77 extending through the hollow drive-shaft and provided at one end with a handle 78, and at its opposite end with a handle 79 formed with an annular socket 80. The movement of the clutch-rod 77 to the left in Fig. 2, by either of its handles 78 or 79, causes the pulley 75 to engage and rotate the main drive-shaft 72, while by forcing the clutch-rod to the right in Fig. 2 said shaft is released from the drive-pulley.

The sticks of chewing-gum 80 to be wrapped are stacked in a rectangular, vertically disposed magazine 81 mounted on trunnions at 82 toward the top of a standard or bracket 83 forming part of the main-frame. When desired, the magazine may be swung on its trunnions outward at its lower end to give access, when desired, to adjacent mechanisms.

The paraffined paper 84, intended for the inner wrappers of the individual sticks of gum, is wound upon a spool 85 journaled on a stationary standard 86. Bearing upon the paper in the spool is a pivotal tensioning weight 87. Journaled in the upper end of the bracket 83 is a pair of parallel paraffined-paper feed-rollers 88 and 89 (see Fig. 12) carrying intermeshing pinions 90 and held together under yielding pressure by springs 91. The roller 88 is flexibly connected with the end of a shaft-section 92 which at its opposite end is flexibly connected with a shaft-section 93 rotating in a bearing at the top of a standard 94. The joints at the ends of the shaft-section 92 permit the roller 88 and shaft-section 93 to rotate slightly out of alinement for convenience of construction; and the shaft-section 93 carries a sprocket-wheel 95 geared by means of a drive-chain 96 to a sprocket-wheel 97 (see Fig. 40) on the main drive-shaft 72. Beneath and parallel with the rollers 88, 89 is a pair of paraffined-paper feeding rollers 98, 99 (see Fig. 13) carrying intermeshing pinions 100 and held yieldingly together under pressure by the springs 101. Extending from the bite of the rollers 88, 89 to the bite of the rollers 98, 99 are two similar pairs of guide-wires 102, 103, the latter of which are bent between the rollers as shown in Fig. 7. The roller 98 is connected by means of a shaft, or shaft-section, 104 with a shaft-section 105 journaled in the standard portion 94 of the main-frame and carrying a pinion 106 beyond the said standard (Figs. 2, 40 and 41). The intermediate shaft-section 104 is connected with the roller 98 and shaft-section 105 by flexible joints for convenience of construction and also to permit the roller 98 to yield slightly with reference to the roller 99 while feeding the web of paraffined paper between them.

The reference numeral 107 designates a magazine for holding a stack of outer wrappers or labels 108 for the individual sticks of gum. The magazine 107 is supported by a bracket 109 carried by an adjustable frame 110 hinged to the main-frame of the machine (see Figs. 25, 26).

Extending beneath and part way across the magazine 107 is a stationary rod 111 (Fig. 8) through which passes an inclined upwardly extending pin 112, upon the point of which the stack of labels 108 rests near its rear edge, as indicated in Fig. 7. Extending centrally across the lower end of the magazine 107 is a shaft 113 passing through a bearing in the frame 110, beneath its bracket 109, and through a bearing in an arm or bracket 114, forming an integral part of the frame 110. Close to the face of the bracket 109 the shaft 113 carries a pinion 115, and beyond the arm 114 it carries a pinion 116 (see Fig. 40). Beneath the magazine the shaft 113 is slotted and fitted with a rubber friction-strip 117. Journaled in the lower part of the supporting-frame of the magazine 107 on the bracket 109 is a pair of label feed-rollers 118, 119 set at an angle with relation to each other, as shown for example in Fig. 7. The shaft of the roller 118 passes through and is journaled in the bracket 109 and carries at its end a pinion 120 meshing with the pinion 115 on the shaft 113. The lower roller 119 is journaled at opposite ends in the short arms of companion levers 121 fulcrumed between their ends against opposite sides of the magazine ame. Springs 122 connected with the long rms of the levers 121, as shown in Figs. 6 and 25, operate to press the roller 119 yieldingly against the roller 118. The rollers 118 and 119 carry intermeshing gears 123 as shown in Fig. 26, whereby the roller 119 is rotated by the roller 118.

The frame 110 has bearing-ears 124, 124^a, which embrace a bracket 125 on the main frame and are pivoted upon a hinge-pin 125^a passing through the bracket in line with the pitch line of the pinion 116 at its outer sides (see Fig. 26). A stiff spring 125^b (see Fig. 25) tends to press the frame 110 at its ear 124^a against the bracket 125. The bracket 125 has a segmental shoulder 125^c which is engaged by one arm of a bell-crank lever 126, fulcrumed at 126^a on the frame 110, which bears at its other arm against an adjusting set-screw 127 passing through the bracket 114. The frame 110 may be raised on its hinge, at 125^a, to give access to the underside of the magazine and adjacent mechanisms, and when down in normal position it rests horizontally on the main-frame 70. The frame 110 and parts carried thereby ma be adjusted toward and away from the magazine 81, for the purpose hereinafter explained, by turning the set-screw 127.

Located between the lower end of the magazine 81 and the rollers 118, 119, as shown for example in Fig. 7, is a drum 128 shown in detail in Figs. 18 and 19. This drum is keyed upon a shaft 129 which is journaled in bearings in the main-frame across which it extends parallel with the shafts 104, 113. The drum 128 is provided with four tangentially disposed pockets 130, extending from end to end of the drum, and two deep annular grooves 131. In the periphery of the drum between the grooves 131 are two parallel series of recesses 132, one of each series being in open communication with one of the pockets 130. Each recess 132 is fitted with a rocking-clamp 133 carrying a clamping-roller 134 projecting into the pocket under pressure of a spring 135.

The driving-gears for the mechanisms described are shown most plainly in Figs. 40 and 41. On the constantly rotating drive-shaft 72 is a pinion 140 meshing with a gear 141 which is carried by a shaft 142 journaled in the bracket 74 (see Figs. 2 and 14). On the face of the gear-wheel 141 is an annular series of three short studs or rollers 144 equi-distant apart. The shaft 129 (carrying the drum 128) is provided beyond the part 94 of the main-frame with a gear-wheel 145 and a disk 146. Fastened against the outer face of the disk 146 are four V-shaped blocks 147 disposed as shown to form between them four radially-extending cam-slots or cam-grooves 148 with flaring outer ends, all as shown in Fig. 40. In the rotation of the gear 141 a roller 144 enters a cam-slot 148 on the wheel or disk 146 and moves toward the center of said wheel and then out of the slot, while bearing against the adjacent cam-surface of the block 147, to turn the wheel 146 and shaft 129 a quarter revolution. The flaring outer ends of the cam-slots 148 are rounded in the arc of a circle of which the shaft 142 of the gear 141 is the center, whereby while initially entering and finally leaving a cam-slot the rollers 144 exert no pressure against the blocks 147 Thus while the gear 141 rotates constantly it turns the wheel 146 and attendant parts intermittingly, there being a decided pause while rollers 144 are traversing the rounded ends of the cam-slots 148. As one roller 144 engages the wheel 146 before the roller in advance releases the same, there is positive engagement between the wheels 141, 146 at all times which prevents all danger of back-locking of the wheel 146 or advancing of the wheel 141, thus insuring accurate movement and timing of the intermittently driven parts. Meshing with the gear 145, on the shaft 129, is a pinion 149 on the end of a shaft 150. Also on the shaft 150 is a gear 151 engaging with an idle pinion 152 on a stationary shaft 153 on the part 94 of the frame. The pinion 152 drives the pinion 106 on the shaft 105.

From the foregoing explanation it will be understood that the shaft 92 and upper paraffined-paper web feeding-rollers 88, 89

rotate constantly, being driven from the main drive-shaft 72 through the drive-chain 96, while the lower paraffined-paper web-feeding rollers 98, 99 are rotated intermittingly from the pinion 106 (through the shaft sections 105, 104). The drum 128 is driven directly from the cam-wheel 146 through the shaft 129 and rotated intermittingly a quarter turn with each movement. Meshing with the gear-wheel 145 is an idle pinion 154 (see Fig. 40) carried on a stationary shaft 155 on the part 94 of the main-frame; and integral with the pinion 154 is a larger pinion or gear-wheel 156 meshing with the pinion 116 carried by the shaft 113 which operates the label-feed rollers 118 and 119 as before described. These latter rollers are rotated intermittingly and coincidently with the rollers 98, 99 and the drum 128.

Resting upon the drum 128 (see Fig. 7) is a friction roller 158 shown in detail in Figs. 20 and 21. It has a circumferential recess 159 between its ends to present only annular bearing surfaces 160, at its opposite end-portions, and in each of the parts 160 are the coincident diametrically opposed shallow recesses 161. The roller 158 is upon the end of the shaft 150 (before mentioned) the connection being such as to permit the roller to rock slightly with reference to the shaft, so that it will conform to and bear equally at its surfaces 160 against the drum 128. The roller 158 is rotated by the shaft 150 intermittingly and coincidently with the drum and intermittent rollers described.

Located between the lower-end portions of the magazines 81, 107 is a stationary bar 162 (see Fig. 7), to which is secured a stationary cutter-blade 163 (see Figs. 29 and 31) to one side of and parallel with the path of the web 84. The cutter-blade 163 has a serrated lower cutter-edge 164. Fastened against the blade 163 at opposite ends is a guide-strip 165 having three upwardly extending guide-fingers 166 and intervening outwardly bent portions 167. Between opposite end-portions of the blade 163 and plate 165 is a narrow space or web-guiding slot 168. Extending parallel with the upper edge of the bar 162 and journaled in the bracket-portion 83 of the frame is a horizontal shaft 169 provided at its inner end with a crank-arm 170 (see Figs. 2 and 32) connected by a pitman 171 with an eccentric 172 on the drive-shaft 72. Secured to the shaft 169 is a pair of downwardly extending arms 173 fastened against the lower ends of which is a movable cutter-blade 174 having a serrated cutter-face 175 terminating in projecting paper-penetrating points 176 having shearing edges on their opposite sides. In the rotation of the drive-shaft 72 the shaft 169 is rocked by the eccentric 172 and swings the cutter-blade 174 back and forth to and across the serrated edge 164 of the stationary blade 163 to sever the web of paper 84 fed between them. In the operation of the cutters, the blade 163 forms a backing for the web, and the pointed teeth of the blade 174 penetrate the web and intermesh with the teeth of the blade 163, shearing the web between the perforations. The teeth of the blade 174 do not contact with the teeth of the blade 163, and the web is severed by a serrated cut without danger of buckling the web between the blades.

Secured against opposite sides of the lower end of the magazine 81 are brackets 177 carrying a pair of stationary bent fingers 178 which extend under the magazine as shown in Figs. 5, 6, and 7 to form a support for the column of sticks of chewing-gum 80 to rest upon. Between the fingers 178 and lower straight-edged end of the magazine 81 is a delivery opening 179 large enough to permit the discharge through it of a single stick of chewing-gum.

Fulcrumed on pins 180 on the brackets 177 are a pair of gum-stick positioning levers 181 (see Fig. 6) provided at their lower ends with gum-positioning presser-feet 182 adapted to press against opposite ends of the lower sticks in the column to center them. On the levers 181 are arms 183 through which pass vertically-adjustable screws 184. On the lower ends of the swinging arms 173 are offsets 185 (see Figs. 7, 30, 31) carrying rollers 186 adapted to engage the tops of the screws 184 to press down the arms 183 of the levers 181 and force the gum-engaging presser-feet 182 toward each other to position the lower sticks of gum centrally of the magazine, as indicated in Fig. 6. When the screws 184 are released by the rollers 186 the levers 181 turn slightly on their pivots 180 to release the ends of the gum-sticks.

Fulcrumed at its lower end upon a bracket 190 on the main-frame (see Figs. 1 and 2) is a lever 191 having a bifurcated upper end portion 192 closed at the top by a head 193 (see Figs. 5, 6, and 7) carrying a pair of projections or pusher-blocks 194 having gum-stick engaging ends 195. Each block 194 has a longitudinally extending recess or slot 196 in its upper side (see Fig. 6) to clear and pass across the lower ends of the gum-stick supporting bars 178. The lever 191 is provided in its bifurcated part 192 with a shaft 197 at which it is connected by a short swinging connecting-rod 198 with an eccentric 199 on the main drive-shaft 72. In the rotation of the shaft 72 the lever 192 is swung upon its pivot at 190 to move the pusher 194 back and forth between a position slightly to the right of that shown in Fig. 7, and the peripheral face of the drum 128, to force the lowermost stick of gum 80

from the magazine into the adjacent drum-pocket 130.

In order that the sticks of gum stacked in the magazine 81 shall descend freely therein, the magazine is of somewhat greater internal dimensions than the gum-sticks, making it necessary to provide the positioners 182 operating as above described. The lower end-portion of the magazine is inclined in the direction of the drum 128 as shown at 200 in Fig. 7. Fastened at the points 201 and 202 against the opposite edges of the magazine 81 is a pair of springy-wire guides 203, which press normally against stationary stops 204. The wire-guides are coincidently bent, as most plainly shown in Figs. 6 and 7, to present the inclined gum-stick guiding parts 205, which extend into the lower end of the magazine, and the lower straight approximately horizontal end-portions 206 carrying adjustable stops 207. The stops 207 are in the paths of the rear, or right-hand, ends of the pusher-blocks 194.

The purpose of the mechanism thus far described is to feed an outer stick-wrapping label 108 from the magazine 107 on to the drum 128, feed a predetermined length of the web 84 of paraffined-paper, cut therefrom a desired length to form an inner wrapper for the stick of gum, position it on the drum with reference to the outer wrapper or label 108, turn the drum 128 to position one of its slots or pockets 130 in register with the lowermost stick of chewing-gum 80 in the magazine 81 (as indicated in the diagrammatic Fig. 52) then cause the pusher 194 to force the lowermost stick of gum into the registering pocket 130 to fold the wrappers (as indicated in Fig. 53). The operations of positioning the inner and outer wrappers 84, 108 and a pocket 130 with reference to the lowermost stick of gum 80 (as shown in Fig. 52) and of forcing the gum and wrappers into the pocket (as shown in Fig. 53) are all performed in each revolution of the constantly rotating drive-shaft 72.

To insure proper delivery of a stick of gum by the pusher 194 from the lower end of the stack with each operation, it is necessary that the stick shall lie horizontally upon the supporting arms 178 so that it may pass freely through the slot 179. As before stated, the interior cross-sectional dimensions of the magazine 81 are, in practice, slightly greater than the dimensions of the gum-sticks to permit a column of the latter to descend as freely as possible. The separate pieces of gum may, in instances, adhere slightly to each other and in the case of a straight column of gum-sticks the lowermost one is apt, in practice, and in spite of the weight of the column, to cant in such a way as to permit the pusher to slide beneath it instead of engaging and pushing it through the delivery slot. The lower end-portion of the column of gum-sticks 80 is pressed by the guide-wires 205 approximately against the inclined magazine surface 200, so that it extends at a sufficient incline with reference to the main-body of the column to shift the lower-most stick, at its rear edge, in line with the center of the vertical portion of the column, whereby its rear edge is approximately in line with the center of gravity of the column, which insures its being pressed down into the path of the pusher 194 and delivered through the slot 179. In the final retracting movement of the pusher 194 it strikes the stops 207 on the resilient guide-wires 205 and swings them slightly in the direction to the right in Fig. 7 to force their bent parts 205 away from the lower end of the column, so that the latter may descend freely. In the initial advance of the pusher 194 to engage and discharge the lowermost stick, it moves away from the stops 207, permitting the guide-wires to again exert pressure against the column.

The web of paraffined-paper 84 passes from the spool 85 between the continually rotating upper feed-rollers 88, 89 and between the guide-wires 102, 103 to the lower intermittent feed-rollers 98, 99. From thence it is guided between the shaft 169 and lower ends of the wires 103 (see Fig. 7) and by the guide-fingers 166 and guide-slot 168 across the face of the stationary cutter 163, thence between the friction feed roller 158 and the stationary curved guide 208 to and between the drum 128 and said feed-roller 158. The continual rotating upper feed-rollers 88, 89 feed in each complete revolution of the main drive-shaft 72 a length of the web 84 just sufficient to form an inner wrapper of desired size when severed from the web, and the same is also done by the intermittent feed-rollers 98, 99. The bent wires 103 permit the web to buckle somewhat between the said upper and lower feed-rollers during the pauses of the latter. The swinging-cutter 174 severs a wrapper from the web 84 while the intermittent feed-rollers 98, 99 and feed-roller 158 are at a pause, with the recesses 161 of the latter in the relative positions shown in Fig. 7. Thus when the wrapper is advanced by the roller 158 and drum 128 to the position shown in Fig. 52 its rear edge registers with a recess 161.

In each complete revolution of the drive-shaft 72 the intermittingly-rotating shaft or roller 113, beneath the label magazine 107, is given a complete turn. Simultaneously therewith the label feed-rollers 118, 119 are rotated. In the rotation of the shaft 113 from, and around to, the position shown in Fig. 7, its friction-strip 117 engages the lowermost label with sufficient friction to

move and tear it from the retarding pin 112, which latter, by its engagement with the next overlying label, prevents the discharge of more than one label at a time. The label as it leaves the magazine enters the bite of the rollers 118, 119, which direct it beneath, and simultaneously with the paraffined-wrapper, onto the drum 128 where both wrappers are engaged by the drum and friction feed-roller 158, in their next succeeding movement, and carried to the position shown in Fig. 52. The rear edge of the outer wrapper or label when in the position shown in Fig. 52 is in a recess 161 of the roller 158. On the instant that the wrappers reach the said position, the pusher 194 advances a gum-stick against them and forces them with the stick into the registering pocket, 130, of the drum, to effect the initial folding of the wrappers, as shown in Fig. 53. The purpose of the recesses 161 is to cause the wrappers to be released from the pressure of the roller 158 when they are engaged by the gum-stick. The gum-stick and its wrappers are held against dropping out of the pocket 130, during the rotation of the drum 128, by the clamping rollers 134.

Mounted upon a pair of parallel arms 210, 211, projecting forward from the main-frame, is a stationary table 212, a plan of which is shown in Fig. 33. The table has a concave surface 213 (see Fig. 7) in the arc of a circle drawn from the shaft 129, leaving a narrow segmental passage 214 between it and the drum 128. On the end of the table adjacent to the drum is an upwardly inclined shelf, or wrapper-folding projection, 215 which operates to engage and turn the wrappers (as illustrated in Fig. 54) in the turning of a drum-pocket 130 from the position shown in Figs. 52, 53 to the position shown in Fig. 54. In the next intermittent movement of the drum 128 the said pocket 130 with its contents are moved to the position shown in Fig. 55. Extending, through the table, from the supporting-arm 21 to the supporting-arm 211, are parallel slots 216, and also extending through the table adjacent to the supporting-arm 211 is a short intermediate longitudinally extending slot 217. In the top of the table at opposite sides of the slot 217 is a pair of shallow longitudinally extending grooves or recesses 218 (see Fig. 11). The slots 216 register with the annular grooves 131 in the drum 128. Extending over but out of contact with the table 212 is a companion wrapper-folding member or block 219 (shown in detail in Figs. 22, 23, and 24, in side elevation in Fig. 5, and in longitudinal section in Fig. 7). The block 219 is formed with a pair of parallel bifurcated arms 220 on one side and with a handle 221 at its opposite side. The arms 220 loosely embrace a bracket 222 (see Fig. 8) on the adjacent part of the main-frame, the bifurcations of the arms passing over and receiving a pin 223 passing through and projecting beyond opposite sides of the bracket 222. On the side of the block 219 adjacent to the handle 221 is a lug 224 extending to a plane slightly below the plane of the under surface of the block and resting on a lug or bracket 225 fastened against the outer edge of the table 212. In the underside of the lug 224 is a shallow socket 226 which fits over the end of a vertical screw 227. In the outer side of the lug 224 is a notch 228 (see Fig. 8) which is engaged by a swinging spring-pressed catch 229 pivoted upon the side of the bracket 225. The purpose of the construction described is to render the block 219 readily removable from and replaceable in the machine. To remove it the catch 229 is pressed down by the operator with one hand, to release it, while he grasps the handle 221 with the other hand. Slight raising of the handle lifts the block out of engagement at its socket 226 with the projecting screw 227 after which the block may be withdrawn from engagement of its bifurcated arms 220 with the pin 223. To insert the block it is passed over the table until its bifurcated arms 220 engage the pin 223, then lowered at its outer side to cause its socket 226 to engage the screw 227 and its notch 228 to be engaged by the catch 229, whereby it is held rigidly in place. In the underside of the block 219 is a pair of parallel grooves 230, and fastened against the under face of the block between the grooves is a smooth-faced plate 231. Fastened against the underside of the block at the outer sides of the grooves 230 are bars 232 having inclined end-portions 233 each terminating in a point, the outer surfaces of the inclined parts being beveled as shown at 234 in Fig. 24. At the outer edges of the bars 232 are longitudinally-extending downwardly-projecting creasing ribs 235. Also secured against the under face of the block 219, in line with the bars 232, are blocks or plates 236 having the inclined edge faces 237, approximately parallel with the edges 233, and outwardly bent wrapper-end-engaging and turning fingers 238, all as shown. Between the inclined faces 233, 237 at each side of the block are the spaces 239. Journaled in bearing-ears 240 on the upper side of the block 219 is a rock-shaft 241 to the opposite ends of which are secured strips 242 terminating in presser-feet 243. The strips 242 extend parallel with each other and are bent coincidently to the shape shown in Fig. 28. The presser-foot portions 243 are beyond the end of the block and are pressed normally downward against the upper face of the table 212 by a torsion-spring 244 (indicated

by dotted lines in Fig. 23) which surrounds the shaft, being connected at one end therewith and bearing at its opposite end against a shoulder on the block.

Journaled in bearings in the main-frame is a pair of parallel shafts 245, 246, their ends at the rear side of the machine being shown in Fig. 40 and their ends at the front side of the machine being shown in Fig. 5 beneath the table 212. The shaft 245 carries a pinion 247 driven through an idle pinion 248 from the constantly rotating gear 141. On the ends of the shafts 245, 246 adjacent to the pinion 247 are cranks 249 having counter-weights 250 and joined to rotate together by a connecting-rod 251. At their forward ends the shafts 245, 246 carry cranks 252, extending at right-angles to the cranks 249, provided with counter-weights 253 and crank-pins 254 (see Figs. 1, 5 and 7).

Pivotally mounted on the parallel crank-pins 254, beneath the table 212, is a plunger-frame or transporter 255 formed with sleeves 256 (see Fig. 17), at which it is journaled on the crank pins, and a pair of parallel side-plates 257. The plates are provided with coincident successive wrapped gum-stick receiving pockets 258, 259, 260 and 261 (see Figs. 5 and 7); coincident successive fingers 262, 263, 264, and 265, and end gum-stick-lifting lugs 266 a little more than half the height of the fingers 262, 265, as indicated in Fig. 7. On the opposite sides of the table 212 are a stationary pair of shallow, upwardly projecting and longitudinally extending guides 267 (Fig. 33) presenting concave surfaces conforming to the ends of a wrapped gum-stick. On the plunger-frame and secured against the outer sides of the plates 257 are brackets 268 formed with vertical wrapper-end engaging and raising arms or plates 269. Fulcrumed in the table-slot 217 on a pin 270 is an upwardly projecting stop 271, most plainly shown in Figs. 5, 33, and 34. The stop 271 is provided at its lower end with a short arm 272, at which it is pivotally connected with the upper end of a rod 273 connected at its lower end to a long coiled spring 274 (see Fig. 1), which in turn is connected at its lower end to a bracket 275 on the main-frame. (The bracket 275 is plainly shown in Fig. 2). The stop 271 and rod 273 have straight-edge meeting-shoulders at 276, at which they are held together by the downward pull of the spring 274. Pressure exerted against the stop 271 (in the direction to the left in Figs. 5 and 34) turns it toward the horizontal plane on its pivot 270, raising the rod 273 against the resistance of the spring 274. When the pressure against the stop is released the spring returns the parts to normal position, wherein the shoulders at 276 abut.

The purpose of the table 212 and block 219 is to guide the partly wrapped sticks as they are moved intermittently along the table by the transporter 255, complete the folding of the wrappers in the intermittent movement of the sticks and assemble the wrapped sticks into stacks or bunches against the stop 271, as shown in Figs. 59 and 60. When the drum 128 comes to a pause with a gum-stick holding pocket 130 in the third position, (which is diametrically opposite the first gum-stick receiving position), the plunger-frame or transporter 255 starts to move upward and then toward the left from the positions shown in Figs. 5 and 7, causing its fingers 262 to traverse the annular grooves 131 of the drum, engage the partly wrapped stick of gum 80, as shown in Fig. 55, and move it along the table beneath the block 219 to the position indicated in Fig. 56. In approaching this position the free edge-portions of the wrappers are folded upward against the upper face of the gum-stick, and the end-portions of the wrappers are then creased, just beyond the ends of the gum-stick, by being passed along the creasing-ribs 235 carried by the block 219. In the next plunging movement of the plunger-frame the fingers 263 on rising through the table slots 216 engage and advance the gum-stick to the position indicated in Fig. 57. As the fingers 263 engage the gum-stick to advance it as described, the plate-portions 269 of the brackets 268 engage the projecting ends of the wrapper, fold them flatwise against opposite sides of the block 219 and cause the said upwardly projecting wrapper-ends to enter the guide-spaces 239 in the underside of the block between the fingers 238 and edges 233. In the next movement of the plunger-frame the gum-stick is engaged by the fingers 264 and forced along, nearly but not quite, to the position of the wrapped stick 80 shown to the right in Fig. 59. In its movement to this position the free ends of the wrappers, beyond opposite ends of the gum-stick, are acted upon by the guides 267, inner edges of the fingers 238 and then the under surfaces of the blocks 236 to overturn and fold the wrapper-ends flat against the upperside of the gum-stick. This completes the folding of the inner and outer wrappers, as indicated in Fig. 58. In the next movement of the plunger-frame the wrapped stick is engaged by the fingers 265 and moved, under the upwardly yielding pressers 243, against the stop 271. In the next movement of the plunger-frame the lifting-lug portions 266 of the side plates 257 engage the underside of the gum-stick and raise it along the stop 271 against the pressure of the presser-feet 243, so that the next following wrapped gum-stick is passed beneath it to the stop 271. The operations described are repeated until five wrapped sticks of gum are stacked,

successively, one beneath the other, against the stop 271, as indicated in Fig. 60.

Fastened against the rear edge of the table 212 above its supporting arm 211 is a stationary bracket 280 (see Fig. 11) carrying a short longitudinal guide-plate 281 bent upward at its end adjacent to the pressers 243, as shown in Figs. 59 and 60. The inner face of the bracket 280 at the end adjacent to the pressers 243 is beveled, as shown at 282. Secured against the opposite edge of the table 212 in line with the bracket 280 is a downwardly extending bracket 283 (see Fig. 11) through which extends a horizontal bearing pin 284 on which a swinging bracket 285 is pivotally mounted to swing from the position shown in Fig. 11 to an outwardly inclined position against a stop projection 286 on the lower end of the bracket 283. The swinging bracket 285 carries a longitudinally extending plate 287, of the same shape as the plate 281 described and having an upwardly bent end-portion in line with that of the plate 281. Projecting outward from the swinging bracket 285 is a handle 288 carrying a spring-latch 289 adapted to engage a pin 290 on the bracket 283 to lock the bracket 285 in the closed position, shown in Fig. 11. During the operation of the machine the swinging-bracket 285 remains in its closed position, but may be swung outward to a slanting position on its pivot 284 to give access to the end-portion of the table 212.

Carried by a shaft 291 extending through and journaled in bearings in the front and rear cheeks of the main-frame, is a drum 292 (see Figs. 1, 10, 35, 36 and 38) provided in diametrically opposite sides with deep pockets 293. The drum has a central opening 294 longitudinally through it, at which it fits over the end of the shaft 291, being secured thereto, all as shown in Fig. 35. In the peripheral face of the drum 292 are four parallel series of segmental recesses 295, 296 formed as shown in Fig. 38; and bisecting the recesses 295 are inclined longitudinally extending sockets or slots 297. Extending in cylindrical openings longitudinally through the drum at the bases of the sockets 297 are rotarily adjustable, cylindrical pieces 298, each having a longitudinally extending cut-away portion presenting a shoulder or stop 299. The purpose of the axially adjustable cylinders 298 is, by their adjustment, to regulate the depth of the slots 297. In the pockets 293 and extending beyond opposite ends of the drum (as shown in Fig. 36) are ejector-bars 300. One of the said bars is upon the end of a hollow post or cylinder 301, which works through a cylindrical opening 302 crossing the central opening 294 of the drum. The other ejector-bar 300 carries a central cylindrical guide-boss 303 fitting loosely into the end of the cylinder 301 and having a stem 304 passing through a guide 305 in the cylinder. On the end of the stem 304 is a head 306, and surrounding the stem and confined between the head 306 and guide 305 is a helical spring 307. The ejector frame, consisting of the bars 300 and attendant parts described, is adapted to slide radially of the drum in the guide-opening 302; the construction permitting one bar to be moved against the resistance of the return spring 307 independently of the other bar and slightly beyond the mouth of the respective pocket 293. In the drum-opening 294 is a friction disk 308, confined between the same and a plug 309 is a spring 310 which presses the disk 308 yieldingly against the post or cylinder 301 to offer a slight degree of friction against movement of the ejector frame, whereby it will be prevented from sliding of its own weight in the turning of the drum.

On the shaft 142 (see Figs. 40, 41), on the side of the bracket 74 opposite the gear 141, (see Figs. 2 and 14) is a miter-gear 312. Journaled in a standard 313 on the top of the main-frame, which carries the spool-supporting standard 86 (see Fig. 3) and a short standard 314 parallel therewith, is a shaft 315. Integral with the top of the standard 314 (see Fig. 14) is a bracket 316 projecting beyond the rear side of the main-frame. Forming, in effect, an integral part of the bracket 74 is a bracket 317 joined to the bracket 316 by an inclined tube 318 (see Fig. 3). Journaled in and passing through the tube 318 is a shaft, provided at its lower end with a miter-pinion 319, meshing with the miter-pinion 312, and carrying at its upper end beyond the bracket 316 a bevel-pinion 320 meshing with a bevel-pinion 321, upon the shaft 315 (Figs. 14 and 15) and normally held to rotate therewith by clutch-mechanism hereinafter described. On the shaft 315, adjacent to the bevel-gear 321, is a pinion 322. Meshing with the pinion 322 is an idle-gear-wheel 323, on a stub-shaft 324 (see Figs. 42, 43) held in a standard portion 325 of the rear cheek portion of the main-frame. On the inner face of the idle gear 323 are four rollers 326 equi-distant apart. Beneath the stub-shaft 324 is a stub-shaft 327 journaled in the standard 325, and carrying an idle gear 328 provided in its face with four radially extending cam-ways 329. The idle gear 328 engages a pinion 330 on the drum-carrying shaft 291, above described, and the pinion 330 engages a pinion 331 on a shaft 332. The shaft 332 is made up of jointed sections like the shaft 292 before described, to render the shaft, as a whole, flexible. Meshing with the gear 323 is an idle gear 333 on a stub-shaft 334, journaled in the standard 325, and carrying a second gear 335 engaging a pinion 336 on a

cross-extending shaft 337. The bevel and miter gears described are so constructed that the shaft 315 is rotated continuously at the speed of one revolution with each five revolutions of the main drive-shaft 72, and the idle gear 323 one with each twenty revolutions of the main drive-shaft. In the comparatively slow rotation of the gear 323, its rollers 326 move into and then out of the cam-ways 329 on the gear 328, and the construction is such that while one roller 326 is leaving a cam-way and the next roller 326 is entering the next cam-way, to engage and turn the gear 328, there is a momentary pause in the rotation of the gear 328, and consequently in the rotation of the pinion 330 and pinion 331 driven thereby. In each intermittent movement of the pinion 330, it and its shaft 291 are turned half of a revolution, thereby turning the drum 292 half of a complete revolution. In practice, the drum turns half of a complete revolution and then pauses momentarily in five revolutions of the main-drive shaft 72, and when it pauses one of its pockets 293 is in horizontal line with the end of the table 212. On the end of the shaft 315, in front of the standard 313, is a crank 340 (see Figs. 10 and 51) carrying a horizontal forward extending wrist-pin 341. Loosely surrounding the wrist-pin, so that the latter may rotate therein, is a horizontal sleeve 342, integral with which is a sleeve 343 extending in a plane at a right-angle thereto. Journaled in a bearing through the upper end-portion of the standard 313 is a short shaft 344 (see Figs. 1, 3, 4, 50 and 51) provided at opposite ends with the oppositely extending crank-arms 345, 346, having laterally extending wrist-pins in their outer end-portions. Pivotally connected at its upper end to the wrist-pin of the crank 345 is a plunger-rod 347 passing through and sliding in the sleeve 343, and provided at its lower end with a pusher-head 348 having a pair of downwardly projecting prongs 349.

On the shaft 315 are three cam-disks 350, 351 and 352 (see Fig. 4) between the standards 313 and 314 described. In one face of each of the disks is a cam-groove 353, as indicated in Figs. 44 and 45. On the shaft 315 between the disks 350 and 351 is a loose nut 354 (like that shown in Fig. 47), then a separable spacer-nut 355 (like that shown in Fig. 46), and then another loose nut 354, one of the loose nuts being close to the grooved face of the disk 350, and the other close to the grooved face of the disk 351. On the shaft 315 close to the grooved face of the disk 352 is a loose nut 354 spaced from the hub of the disk 351 by a separable spacer-nut 355. Pivotally connected with the wrist-pin of the crank 346 (see Figs. 50, 51) is a connecting-rod 356 having a forked lower end 357 engaging and sliding upon the loose-nut 354 adjacent to the disk 350 and provided above its fork with a roller 358 riding in the cam-slot 353 of the disk 350. In each complete rotation of the shaft 315 the double crank-shaft 344 is rocked up-and-down to raise and lower the plunger-bar 347 and its forks 349. Also in each rotation of the shaft 315 the crank 340 swings the guide-sleeve 343 around in a circular path to swing the rod 347 back-and-forth between the end-portion of the block 219, described, and the drum 292. The forked lower end of the bar 347 forms a pusher to transfer the bunch of five wrapped gum-sticks from its position against the stop 271 through the guide, formed by the side brackets 280, 285 and their top plates 281, 287, into the positioned pocket 293 of the drum 292. In moving the bunch the ends of the prongs 349 move in the table-grooves 218 and their pressure against the bunch upsets the stop 271, against the resistance of its return spring 274, whereby the bunch slides across the stop which returns to upright position again when the bunch has passed. In the return movement of the pusher the forks 349 are raised to clear the sticks then being bunched and pass across opposite sides of the stop 271.

In the plane of the table 212, beyond the drum 292, is a discharge-table 360 secured upon a supporting-bracket 361 fastened against the left-hand side or end of the main-frame. The table 360 has shallow upwardly extending sides 362 and mounted thereon is a removable covering plate 363 having a weighted handle 364. Above the table just beyond the drum 292 is a magazine 365 (Figs. 1 and 10) in which are stacked outer labels or binders 366 for the assembled wrapped sticks, or packages, of chewing-gum. Projecting partway across the lower end of the magazine 365 is an arm 367 mounted in a bracket 368 and carrying an inclined wrapper-penetrating and supporting pin 369 like the pin 112 before described. Extending across the lower end of the magazine 365 is a stack-supporting roller 370 having a projecting, segmental, rubber friction-face 371 (see Fig. 38). The roller 370 is fixed to the cross-shaft 337. The supporting base-frame or bracket 372 (Fig. 11) of the magazine 365 is secured upon a standard portion 373 of the main-frame through which the shaft 337 passes, as shown in Fig. 4. Mounted against the side of the base-frame 372 of the magazine is a bracket 374 (see Fig. 10) having parallel downwardly extending arms 375 supporting a short shaft 376. Pivotally mounted on opposite end-portions of the shaft 376 (see Fig. 11) are short sleeves 377 provided with upwardly projecting arms 378, and coincident short bearing arms 379 for a roller 380 (see Fig. 38).

having a longitudinally extending recess 381 in one side. Short helical springs 382 (see Figs. 10 and 11) tend to press the roller 380 against the periphery of the drum 292 in such a way that it may yield bodily or separately therefrom at opposite ends. On the arms 378 are coincident laterally extending lug-portions 383 fitted with set-screws 384 forming adjustable stops which impact against shoulders on the bracket 374 to prevent the roller 380 from being pressed by the springs 382 into the pockets 293 of the drum 292 in the rotation of the latter. Fastened against the face of the bracket 374 is a strip 385 having bent ends 386 which limit the swinging of the arms 378 against the resistance of the springs 382, and consequently the rise of the roller 380 away from the periphery of the drum 292. The roller 380 carries a pinion 387 (see Fig. 11) meshing with a gear-wheel 388 on the drum-shaft 291.

In each rotation of the shaft 337 the segmental friction face 371 of the roller 370 engages the lowermost label or binder 366, in the magazine 365, advancing it from the position shown in Fig. 39 to and beyond the position shown in Fig. 38. It will be understood that the stack rests upon the penetrating pin 369 and roller 370, the pin operating to prevent more than one binder or label from being fed at a time, the same as in the case of the labels in magazine 107 as before described. The operations of the binder-feeding roller 370, drum 292, and roller 380, are so timed with relation to each other that as a label or binder 366 is fed from the lower end of the magazine, it enters one of the segmentally disposed sockets 297 of the drum for a distance regulated by the stop 299 therein. At this time the recess 381 of the roller 380 also registers with the socket 297 to permit the free passage of the binder or label into the socket. This operation takes place while the drum 292 is at a pause in the position indicated in Fig. 38. In the next semi-rotation of the drum 292 the binder or label 366 is carried around to the position indicated in Fig. 59, its rear end-portion crossing the mouth of a pocket 293 in the drum. Thus as an assembled bunch of wrapped sticks of chewing-gum is advanced by the pusher 349 past the stop 271 and through the guide-way 280, 281, 282, and is forced into a pocket 293 by the pusher, all as before described, it presses the label 366 against the adjacent bar 300, of the ejector-frame, and forces the label into the pocket to partly envelop the bunch of assembled sticks (as indicated in Fig. 62) while the bundle and bar are being forced to the base of the pocket 293. Fastened against the end of the table 212 is a parallel series of three guide-fingers 390 (see Fig. 35) of the shape shown most plainly in Fig. 10. The guide-fingers 390 are separated as indicated, leaving spaces between them registering with the segmental recesses 295, 296 in the drum 292. The segmental guide-faces of the fingers 390 extend in the arc of a circle drawn from the shaft of the drum 292, leaving a segmental space 397 between them for the binder 366, as shown in Fig. 62.

Journaled below the standard portion 373 of the main-frame in a bearing 400 on the front cheek of the main-frame (see Fig. 4) is a rock-shaft 401 carrying a crank 402 (see Figs. 48, 49). The crank 42 is pivotally connected with the lower end of a connecting-rod 403 having a forked upper end 404, and carrying a roller 405 in the cam-groove of the disk 351 on the shaft 315. The forked end 404 slides upon a loose nut 354 adjacent to the disk 351, being held against movement longitudinally of the shaft by one of the spacer-nuts 355 before described. In each rotation of the shaft 315 the shaft 401 is given a rocking motion. Fixed upon the outer-end portion of the shaft 401 is a mucilage or paste-receptacle 406, half of which, as shown in Fig. 37, is closed by a removable sliding cover 407. The other half has a permanent cover 408 containing four slots 409 (see Figs. 35 and 37). Journaled in bearing-brackets 410 on the receptacle 406 is the end section of the flexible shaft 332 shown in Figs. 42, 43, and before described. The shaft 332 carries four rotary paste-applying disks 411, which rotate in the receptatcle and through the slots 409. In the rocking of the shaft 401 the paste-receptacle is swung up and down in an arc of which the shaft 401 is the center; and in the rotation of the shaft 332 the disks 411 are turned intermittingly.

In operation, when the drum 292 comes to a pause in the position shown in Figs. 61 and 62, and the pusher 349 is advancing the assembled bunch of wrapped gum-sticks toward the pocket 293, and while the forward edge portion of the label or binder 366 is still in the slot or socket 297, the paste receptacle rocks upward to raise the paste-disks 411 against the end portion of the label or binder, pressing the same gently against the flat surfaces formed by the bases of the peripheral recesses 295 in the drum, and applying the paste to the binder a short distance from the end thereof. In this operation four short streaks of paste are applied to the label or binder The paste-disks then recede, and the pushers 349 force the bunch and binder into the pocket 293. In the next movement or half turn of the drum 292 the free portion of the binder or wrapper 36 moves down the inclined surface 412 formed by the inclined ends of the guide-fingers 390 (see Figs. 62 and 10) As the pocket 293 nears the position shown in Fig.

63, the wrapper or binder 366 is engaged by the end of the table 360, and turned down as shown.

Passing through the main-frame below, and a little to one side and parallel with the shaft 332, is a rock-shaft 415 (see Figs. 10 and 11) carrying a crank 416 pivotally connected with the lower end of a connecting-rod 417, having a forked upper end 418 (see Figs. 44 and 45). The forked end of the connecting rod slides upon one of the loose nuts 354 on the shaft 315 and the connecting rod carries a laterally extending roller 419 entering the cam-groove 353 of the disk 352. The connecting-rod and nut 354 are held to the face of the disk 352 by one of the spacer-nuts 355. At its outer or forward end beyond the forward cheek of the main-frame the shaft 415 carries a crank having an arm 420 parallel with the shaft 415. At the opposite ends of the arm 420 is a pair of inclined upwardly extending package-discharging fingers 421 beyond opposite ends of the drum 292 and bars 300, and having inwardly-extending bar-engaging projections or shoulders 422 (see Figs. 45 and 64). When the respective bar 300 is in its retracted position in the pocket 293 and is moved with the drum toward the position shown in Fig. 63, it passes at its opposite ends between the discharge fingers 421 and upward in front of the shoulders 422. At the moment the drum is turned into, and stops with its pocket 293 in, the position shown in Fig. 63, the shaft 415 is rocked by the cam-disk 352 to swing the crank-arm 420 in the arc of a circle, of which the shaft 415 is the center. Thus the fingers 421 are swung from their retracted position (wherein their ends are close to the center of rotation of the drum 292) to the advanced position indicated in Figs. 1 and 64. In this movement the shoulder portions 422 of the fingers 421 engage the bar 300 and slide it to the periphery of the drum, and then slightly beyond against the resistance of the return spring 307, thereby ejecting the wrapped bunch of gum-sticks from the pocket 293. In moving out of the pocket onto the table 360 the package passes under against the cover 363, which tends to press it down against the table 360. In the movement of the package or bundle of gum-sticks from the position shown in Fig. 63 to its next position shown in Fig. 64, the edge of the table 360 engages the free end portion of the label or wrapper 366, causing it to be turned upward by the movement of the package and pressed at its paste-carrying edge portion against the opposite edge portion of the binder to secure the ends together, whereby the bunch of gum-sticks is securely bound by the surrounding outer wrapper or binder 366, as shown in Figs. 64 and 65. As package after package is delivered onto the table 360 they are forced along, under slight pressure of the cover 363, to give a little time for the paste to dry.

For convenience a hand-wheel 423 is provided on the drive-shaft 72, and a handle-wheel 424 is provided on the end of the wrist-pin of the crank 340, centered with the shaft 315, to permit the shafts to be turned by hand when desired for any reason.

The rotation of the shaft 315 which operates the swinging pusher-rod 347, and from which the drum, binder-feeding and pasting mechanism and the discharger are given, rotates as one to five with relation to the drive-shaft 72 from which the gears and attendant parts, shown in Fig. 40, are more directly driven. For purposes of safety it is desirable, in the event that any of the mechanisms driven from the shaft 315 become clogged, that to avoid strain on the parts the machine be automatically stopped. To accomplish this the bevel-gear 321 is loose upon the shaft 315. Pivotally mounted upon the said shaft at the side of the gear 321 is a segmental, swinging clutch-member 430 (see Figs. 14, 15, and 16) having a beveled stud 431 on its face, adapted to enter a socket 432 in the face of the gear 321, and clutch the latter to the shaft 315. On the adjacent end of the shaft 315 is a disk 433 having an opening through it for a longitudinally movable pin 434, which engages a socket 435 in the swinging clutch-member 430 (as shown in Fig. 15). Surrounding the rod 434, and confined between a stop 436 thereon and the disk 433, is a spring 437 which tends normally to press the clutch-member 430 at its stud 431 into engagement with the socket 432 in the gear 321. Fulcrumed between its ends on the end of the bracket 316 (see Fig. 14) is a lever 438 having a disk-shaped head 439 in the path of longitudinal movement of the rod 434. Fulcrumed upon the bracket 317 (Fig. 14) is a lever 440 in the path at its short arm of the end of the lever 438. The long arm of the lever 440 engages the groove 80 of the sliding clutch-member 76 on the clutch-shipping rod 77, which, as before stated, passes longitudinally through the drive-shaft 72. Should any of the mechanism driven from the shaft 315 be clogged and offer too great resistance, the clutch-stud 431 will be forced out of the socket 432, swinging the clutch-member 430 outwardly on its pivot against the resistance of the spring 437, and moving the rod 434 against the disk 439. This longitudinal movement of the rod 434 swings the lever 438, causing it in turn to swing the lever 440 and move the sliding clutch-member 76 to produce disengagement between the shaft 72 and the driving pulley 75, thus stopping the machine.

In practice, one operator standing at the front and right-hand end of the machine

watches its operation, keeps the magazine 81 supplied with sticks 80 of chewing-gum, or like articles to be wrapped, the magazine 107 supplied with outer stick-wrappers or labels 108, the magazine 365 supplied with package labels or binders 366, and at long intervals stops the machine to renew the roll of paraffined paper, for the inner stick-wrappers, on the spool 85. While the main drive-shaft turns at comparatively high speed, the rotary carrier or drum 128 turns intermittingly at one-quarter the speed of the drive-shaft, and in each quarter revolution it pauses while one of its article receiving and wrapper folding slots or pockets 130 registers with the pusher 194. The rotary bunch-carrier or drum 292 turns at a speed approximating one-fifth that of the drive-shaft with a momentary pause at the end of each half revolution, while one of its bunch receiving pockets 293 registers with the end of the table 212, and its other pocket registers with the discharge-table 360. The inner paraffined-wrapper intermittent-feeding, severing and positioning mechanisms, the outer stick-wrapper or label feeding and positioning mechanism, the pusher 194, and the plunger transporter 255, all coöperate in their movements with the intermittent turning movements of the drum 128; while the intermittent feeding and positioning mechanisms of the package-binders or labels 366, the plunger pusher 348, rocking paste-applying mechanism, and package-discharging fingers 421 all coöperate in their movements with the intermittent turning movements of the drum 292. In each rotation of the main drive-shaft a stick of gum is slid from the lower end of the magazine 81 into a registering drum-slot or pocket 130, forcing with it into the pocket the inner and outer gum-stick wrappers, whereby the latter are folded, as shown in Fig. 53; in the next intermittent turning movement of the drum 128 the wrappers are turned to the position shown in Fig. 54; and in the third intermittent movement of the drum the gum-stick and its wrappers are carried to the position shown in Fig. 55 into register with the top of the table 212. During the next following rotations of the drive shaft 72 and successive intermittent movements of the drum 128, the stick and its wrappers are moved by the plunger-frame or transporter 255 first to the position shown in Fig. 56, to complete the folding of the wrappers about the stick, then to the position shown in Fig. 57, during which movement the projecting ends of the folded wrappers are creased and turned up, then to a position approaching that shown in Fig. 59, during which movement the wrapper ends are turned inwardly upon the stick, as shown in Fig. 58; and in the next intermittent movement of the drum the wrapped stick is moved to the stop 271. In the four following plunging movements of the transporter 255 the wrapped gum-sticks are lifted along the stop 271, while a wrapped gum-stick is passed beneath them to the stop, to form a stack of five assembled wrapped gum-sticks, as shown in Fig. 60. Following the last stated plunging movement of the transporter 255 the pusher-fingers 349 force the stack or bunch of assembled wrapped gum-sticks past the upsetting stop 271 through the guide beneath the plates 281 and into the then registering pocket 293 of the drum 292, forcing the adjacent sliding plate 300 to the base of the pocket.

During the movement of the drum 292 to carry one of its pockets 293 into receiving position, a package wrapper or binder 366 is fed and carried around to extend over the mouth of the pocket, as shown in Fig. 59, and as a bunch of wrapped gum-sticks is forced into the pocket by the pusher-fingers 349, the binder is folded partly around the bunch, as indicated in Fig. 62. While the drum 292 is turning from the position shown in Fig. 59 to that shown in Fig. 62, the paste-receptacle 406 is rocked upward to cause the pasting-disks 411 to contact with and then release the edge portion of the binder. In the following intermittent movement of the drum 292, its filled pocket 293 is carried around to the position shown in Fig. 63, turning the binder to the position there shown. During the pause of the pocket in this position, the discharging fingers 421 engage opposite ends of the sliding plate 300, forcing it to the position shown in Fig. 64 to eject the package of wrapped gum-sticks from the pocket 293, and slide it on to the table 360 beneath the covering plate 363. In this movement the pasted edge portion of the binder is folded upward against the package, thus completing the operation. The packages are advanced intermittingly along the table 360, under the clamping pressure of the cover-plate 363 to give time for the paste to set, the advance of the packages being produced by the one forced onto the table by the discharge fingers 421.

The article-holding magazine 81, having the inclined lower-end portion, 200, in combination with the article-engaging and releasing positioner formed by the bent rods or wires 205, constitute a peculiarly effective construction for insuring the proper positioning of the lowermost article 80 with reference to the pusher 194, and the quick and accurate delivery of the article by the pusher into the registering pocket 130 of the intermittently rotating carrier 128. The clamps, or clamping rollers 134, insure the retention of the partially wrapped article in the pocket 130 while the rotating carrier moves the pocket to the second and third positions,

The steadily rotating web-feeding rollers 88, 89, draw the paraffined paper steadily, without jerk, from the spool 85, while the intermittent web-feeding rollers 98, 99, are timed with the movements of the swinging web-severing cutter-blade wrapper-feeding roller 160 and drum or carrier 128, and take up the slack, of the web between the guides 102, 103, in each feeding movement. At the moment that the article 80 contacts with the wrappers to force them into the pocket 130, the roller 160 is turned to the position wherein a recess 161 therein registers with the peripheral face of the carrier to release the ends of the wrappers and permit them to be moved freely by the articles to receive the first folds. The ready adjustability of the hinged frame 110, permits the feeding mechanism for the outer article-wrappers or labels 108 to be quickly adjusted with relation to the feed mechanism for the inner-wrappers 84, and the drum or carrier 128, insuring accurate and timely placing of the labels in position upon the carrier. The annular grooves 131 in the drum or carrier 128 permit the fingers 262 of the plunging transporter 255 to pass upward behind the article in the pocket to engage and slide it out of the pocket into the stationary guide-way, between the table 212 and its covering-block 219, in which movement the last article-surrounding fold of the wrappers is produced. The table 212 and block 219 with their stationary wrapper-end creasers and deflectors in combination with the plunging transporter operating, as described, to advance the article intermittingly, fold the wrapper-ends and then stack or bunch the wrapped articles, form a simple positively-acting mechanism for coöperation with the rotating drum or carrier 128 and its attendant features, thereby permitting the machine to be operated at a very high speed and without danger of any mishap, under normal conditions, that would render stopping of the machine necessary.

The pockets 130 in the drum 128 are non-radial and their bases are relatively close to the peripheral surface of the drum, so that only a slight rise of the plunging transporter is required to cause the fingers 262 to engage the articles 80 (as shown in Fig. 55). Were the pockets radial, their bases would be much farther from the periphery of the drum and a much greater plunging movement of the transporter would be necessary to engage and move the articles out of the pockets. The centrifugal action in the rotation of the drum furthermore, tends to keep the articles in the pockets rather than throw them out.

While the article-wrapping and assembling features form in themselves a highly perfected and complete mechanism, the mechanism for forming a predetermined number of the wrapped articles into a package by surrounding the same with a binder or label 366 having its overlapping edges pasted together, is, for controlling commercial reasons, a highly desirable adjunct to the other mechanism, and, in the present instance, is especially devised to coöperate with said other mechanism in the same machine, and under coincidently timed movements, to produce from the materials fed into the machine the completed commercial article, or package, shown in Fig. 65, by a continuous operation.

The foregoing description is intended to convey a clear understanding of my improvements in what I now believe to be the best form of their embodiment, and no undue limitation should be understood therefrom. It is my intention to claim all that is novel in my invention, and that the claims shall be construed as broadly as the prior state of the art may warrant.

What I claim as new and desire to secure by Letters Patent is—

1. In an article-wrapping machine, the combination with the wrapper-applying mechanism, of a magazine, in which the articles to be wrapped are stacked and down which they gravitate, having a guide-surface in its lower-end portion inclined toward the wrapper-applying mechanism, article-engaging and releasing presser-mechanism for causing the lower articles of the stack to conform to said guide-surface, a support for the stack, pusher mechanism operating intermittently to discharge the lowermost article from the stack, and means for retracting the said presser-mechanism intermediate the article-discharging operations of said pusher mechanism.

2. In an article-wrapping machine, the combination with the wrapper-applying mechanism, of a magazine, in which the articles to be wrapped are stacked and down which they gravitate, having a guide-surface in its lower-end portion inclined toward the wrapper-applying mechanism, article-engaging and releasing presser-mechanism for causing the lower articles of the stack to conform to said guide-surface, a support for the stack, and a reciprocating pusher, for discharging the lowermost articles successively from the stack, in its backward movement operatively engaging and retracting said presser-mechanism.

3. In an article-wrapping machine, the combination of a movable carrier, having an article and wrapper holding-pocket, means for forcing the article with the wrapper into said pocket, a wrapper-holding magazine, wrapper-feeding means between said magazine and carrier operating intermittingly to transfer a wrapper from the magazine toward the carrier, and means for varying the distance between said wrapper-holding

magazine and carrier to regulate the positioning of the wrapper with reference to the said pocket.

4. In an article wrapping machine, the combination with the main-frame, of a carrier thereon having an article and wrapper holding-pocket, means for forcing an article with the wrapper into said pocket, a support on the main-frame, a wrapper-holding magazine on said support, wrapper-feeding means between the magazine and carrier operating to transfer a wrapper from the magazine to the carrier, said support being adjustable with reference to the carrier to regulate the positioning of the wrapper on the carrier with reference to said pocket.

5. In an article-wrapping machine, the combination of a rotary drum having a circumferential recess and a non-radial article and wrapper holding-pocket crossing said recess, means for forcing the article and a wrapper, of greater length than the article, into said pocket to partly fold the wrapper around the article, a stationary guide-way having wrapper-end-overturning deflectors, and a plunging transporter movable in said recess to engage and move the article and its wrapper from said pocket into and through said guide-way to complete the folding of the wrapper around the article, and overturn the wrapper-ends.

6. In an article-wrapping machine, the combination with means for so folding the wrapper around the article as to leave projecting wrapper-ends, of a stationary, slotted table, a cover for the table forming therewith a guide-way, wrapper-end-folding deflectors in the guide-way, and a transporter having wrapper-end-bending projections for turning the wrapper-ends into engagement with the deflectors and a projection movable in the slot of the table to engage and advance the article through the guide-way along said deflectors.

7. In an article-wrapping machine, the combination with means for so folding the wrapper around the article as to leave projecting wrapper-ends, of a stationary, slotted table, a cover for the table forming therewith a guide-way, wrapper-end-folding deflectors in the guide-way, a stop and a resilient presser beyond said cover, and a plunging transporter having projections movable in the slot of the table to engage and advance the article through the guide-way along the said deflectors and under the presser to the stop and lift the articles along the stop so that they are assembled, by the depositing of one beneath another, into a bunch.

8. In an article-wrapping and package-forming machine, the combination of a normally upright upsetting-stop, means for bunching a predetermined number of the wrapped articles against the stop, a movable carrier having a bunch-receiving pocket, means for forcing the bunch across the stop into said pocket, means for feeding a binder over the mouth of said pocket across the path of the bunch to be forced into the pocket by the bunch and thereby folded upon three sides thereof, paste-applying mechanism for the binder coöperating with the carrier in the movements thereof, and means for discharging the bunch from said pocket and for completing the folding and fastening of the binder about the bunch.

9. In an article-wrapping and package-forming machine, the combination of an intermittently rotating carrier having an article-receiving pocket, means for forcing an article into said pocket, means for feeding a wrapper over said pocket across the path of the article to be forced therewith into the pocket and folded against opposite sides of the article, a stationary guide-way, mechanism operating to move the article with its wrapper from said pocket into said guide-way, thereby completing the folding of the wrapper around the article, and to move it along the guide-way, wrapper-end-folding deflectors in the guide-way in the path of movement of the wrapper-ends, bunching mechanism for the wrapped articles beyond the guide-way, an intermittently rotating bunch carrier having a bunch-receiving pocket, means for forcing a bunch when formed into said bunch-receiving pocket, means for feeding a binder to the bunch carrier over said bunch-receiving pocket, across the path of said bunch to be forced therewith into the pocket and to be folded thereon, paste-applying mechanism contacting with the binder on the bunch carrier, a package squeezing guide-way, and mechanism operating to discharge the bunch and binder from the bunch carrier into the package squeezing guide-way to complete the folding and fastening of the binder about the bunch.

10. In an article-wrapping machine, the combination with a drive-shaft rotating at relatively high speed, a driver therefor, a clutch between said shaft and its driver, individual-article wrapping-mechanism and mechanism for assembling a predetermined number of the wrapped articles into a bunch, all actuated at high speed from the drive-shaft, mechanism for applying binders to the bunches actuated at relatively slow speed from the drive-shaft through speed-reducing gears, a safety clutch interposed in said speed-reducing gears, serving to disconnect the same in the event of undue resistance to said slow-speed mechanism, and means causing said safety-clutch in its unclutching movement to effect like movement of the clutch between said driver and drive-

shaft, to stop the latter, for the purpose set forth.

11. In an article-wrapping machine, mechanism for assembling the articles into packages and applying binders thereto, having an intermittently rotated drum provided with a bunch-receiving pocket, means for depositing a bunch of the articles in said pocket, means for feeding a binder over the mouth of said pocket, across the path of the bunch, to be forced into the pocket by the bunch and thereby folded partway around the bunch, the drum having a socket in its periphery to receive the binder at its forward edge, and means for varying the depth of said socket to regulate the positioning of the binder with reference to the pocket.

12. In an article-wrapping machine, mechanism for assembling the articles into packages and applying binders thereto, including a rotary drum provided with a bunch-receiving pocket, an ejector-bar in the pocket provided with a retracting spring, means for moving said bar radially of the drum and beyond the circumference thereof against the resistance of said spring to eject the package, the spring operating to retract the bar into the pocket when released by said moving means.

13. In a wrapping machine, the combination of means for feeding articles to be wrapped, means for winding a wrapper about each article, a stationary folding table, a folding block over the table separated from the table to leave a folding passageway, folding extensions on said block, means for shifting the wound articles through said passageway to effect coöperation of the wrapper ends with said folding projections whereby said ends are folded, supporting brackets on said folding block extending from one side of said folding block, a bar for receiving said brackets, and latch mechanism for detachably securing the other side of the block, opening of said latch mechanism allowing withdrawal of the block from the machine.

14. In a wrapping machine, the combination of means for feeding articles to be wrapped, means for winding a wrapper about each article, a stationary folding table, a folding block over the table separated from the table to leave a folding passageway, folding extensions on said block, means for shifting the wound articles through said passageway to effect coöperation of the wrapper ends with said folding projections whereby said ends are folded, bifurcated supporting brackets on said folding block extending from one side of said folding block, a bar for receiving said brackets, and latch mechanism for detachably securing the other side of the block, opening of said latch mechanism allowing withdrawal of the block from the machine.

15. In a wrapping machine, the combination of a magazine for articles to be wrapped, wrapping mechanism, feed mechanism for feeding articles one at a time to said wrapping mechanism, and means for effecting relative lateral shifting of the articles at the bottom of the magazine just prior to the operation of the feed mechanism whereby the articles are prevented from sticking together.

16. In a gum wrapping machine, the combination of a vertical magazine for receiving a stack of gum sticks, wrapping mechanism below said magazine, feed mechanism for feeding the gum sticks one at a time to said wrapping mechanism, and means for effecting relative lateral shift of a plurality of gum sticks at the bottom of the stack just prior to the coöperation of the feed mechanism with the lowermost stick whereby to prevent the sticks from adhering to each other during the feeding operation.

17. In a gum wrapping machine, the combination of a vertical magazine for receiving a stack of gum sticks, wrapping mechanism below said magazine, feed mechanism for feeding the gum sticks one at a time to said wrapping mechanism, and means controlled by said feed mechanism for effecting relative lateral shift of a plurality of gum sticks at the bottom of the stack just prior to the coöperation of the feed mechanism with the lowermost stick whereby to prevent the sticks from adhering to each other during the feeding operation.

18. In a gum wrapping machine, the combination of a vertical magazine for receiving a stack of gum sticks, wrapping mechanism below said magazine, feed mechanism for feeding the gum sticks one at a time to said wrapping mechanism, and means for laterally shifting the lowermost stick relative to the next stick above just prior to coöperation of the feed mechanism with said lowermost stick whereby any adhesion between said sticks will be destroyed just prior to the feeding operation.

19. In a gum wrapping machine, the combination of a vertical magazine for receiving a stack of gum sticks, wrapping mechanism below said magazine, feed mechanism for feeding the gum sticks one at a time to said wrapping mechanism, a spring actuated frame engaging with the rear ends of a plurality of the lowermost sticks in the magazine just prior to coöperation of the feed mechanism with the lowermost stick to thereby effect relative lateral shifting of such sticks whereby any adhesion between said sticks will be destroyed just prior to the feeding operation, and means whereby

said spring frame is released upon retraction of the feed mechanism to allow downward movement of the stack and the magazine to carry the next stick into the path of the feed mechanism.

20. In a gum wrapping machine, the combination of a vertical magazine for receiving a stack of gum sticks, wrapping mechanism below said magazine, feed mechanism for feeding the gum sticks one at a time to said wrapping mechanism, a frame spring pressed toward the rear ends of a plurality of the lowermost sticks in said magazine, and means controlled by the feed mechanism to withdraw said frame upon retraction of the feed mechanism and to allow said frame to impinge against said sticks to effect relative lateral shift thereof just prior to coöperation of the feed mechanism with the lowermost stick to thus destroy the adhesion between said sticks and to allow the lowermost stick to be fed to the wrapping mechanism without resistance.

21. In an article wrapping machine, the combination of means for individually wrapping articles, a table for receiving wrapped articles, a transporting member and means for effecting combined upward and forward movement thereof, a stop at the end of said table, projections on said transporting member for successively engaging the wrapped articles on said table and for successively shifting said articles toward said stop, a lifting projection on said transporting member for raising articles at said stop in advance of the articles shifted toward said stop by said first mentioned projections whereby said articles are eventually arranged in a stack at said stop, means operative after a certain number of articles have been arranged in a stack for withdrawing the stop from the stack, and means for successively removing stacks from the table.

22. In a wrapping machine, the combination of a supporting table, an abutment member, spring means tending to normally hold the abutment member above the table surface but yielding to allow deflection of the abutment member below the table surface upon exertion of pressure against the member, means for shifting articles along the table for stacking a predetermined number thereof against said abutment member, a receiving member for the stacks, and means for engaging with the stacks and for forcing them along the table over the yielding abutment member and into the receiving member.

23. In an article wrapping machine, the combination of a frame for containing articles to be wrapped, a rotary carrier having a pocket adapted to be brought into register with said frame to receive an article therefrom, wrapper feeding mechanism, said carrier having a slot for receiving one end of a wrapper whereby upon rotation of said carrier the received wrapper will be drawn into position between said frame and pocket, means for shifting an article from said frame and against said wrapper and into the pocket whereby said wrapper is partly folded about the article, and means for varying the depth of said slot to thereby regulate the position of the wrapper with reference to the pocket.

24. In an article wrapping machine, the combination of a frame for containing articles to be wrapped, a rotary carrier having a pocket adapted to be brought into register with said frame to receive an article therefrom, wrapper feeding mechanism, said carrier having a slot for receiving one end of a wrapper whereby upon rotation of said carrier the received wrapper will be drawn into position between said frame and pocket, means for shifting an article from said frame and against said wrapper and into the pocket whereby said wrapper is partly folded about the article, a member on said carrier having a shoulder forming the bottom of said slot, said member being adjustable to shift the shoulder to thereby vary the depth of said slot to thus regulate the position of the wrapper with reference to the pocket.

25. In an article wrapping machine, the combination of a frame having a passageway for articles, a transporter member and means for causing bodily revolution of said member through an orbit at a uniform rate of speed, said passageway being included in said orbit and said member having projections for engaging in said passageway to propel articles therethrough.

26. In an article wrapping machine, the combination of a guide-way, parallel crank arms, a transporter member mounted on said crank arms to be bodily revolved thereby at a uniform rate of speed, said transporter coöperating with said guide-way to shift articles therethrough.

27. In a wrapping machine, the combination of a guide-way, two parallel shafts having crank arms at their ends adjacent said guide-way, a frame mounted on said crank arms to be bodily revolved through an orbit at a uniform rate of speed, said frame having projections for engaging in said guide-way to propel articles therethrough.

28. In an article wrapping machine, the combination of a guide frame having a passageway, two parallel shafts having crank arms adjacent said frame, a transporter member mounted on said crank arms to be bodily revolved through an orbit, means for driving said shafts, said transporter having projections for traveling through

4491

said passageway to transport articles therethrough, and counter weights for counter acting the weight of said crank arms and transporter member.

29. In an article wrapping machine, the combination with folding mechanism for receiving partially wrapped articles, and a transporting member revolving through an orbit at a uniform rate of speed and cooperating with said folding mechanism to complete the wrapping of the articles.

30. In an article wrapping machine, the combination of means for winding a wrapper about articles, a frame having a passageway for receiving the articles with the wrappers and having end folding mechanism, a transporter member revolving through an orbit at a uniform rate of speed and operating to shift the articles successively through said passageway, and folding mechanism on said transporter for coöperating with the folding mechanism on said frame to effect folding of the wrapper ends during such transporting thereof through said passageway.

31. In an article wrapping machine, the combination of wrapping means for applying wrappers about articles, a frame having a passageway, a transporter revolving at a uniform rate of speed through an orbit including said passageway and having projections for shifting the articles one by one from said wrapping mechanism successively through said passageway, and coöperating folding mechanisms on said frame and transporter for folding the ends of the wrappers during traveling of the articles through said passageway.

ALBERT M. PRICE.

In presence of—
I. D. STEELE,
A. J. FLOYD.

UNITED STATES CIRCUIT COURT OF APPEALS

For the Seventh Circuit

I, Edward M. Holloway, Clerk of the United States Circuit Court of Appeals for the Seventh Circuit, do hereby certify that the foregoing printed pages, numbered from 3507 to 4491, inclusive, contain a true copy of the Books of Exhibits, Volumes 8 to 10 inclusive, which together with the Printed Record in Volumes 1 to 7 inclusive and numbered from 1 to 3505 inclusive, were printed under my supervision and filed on July 15, 1926 and constitute the record on which the following entitled causes were heard and determined:

No. 3727

L. P. LARSON, Jr. COMPANY

Appellant

vs.

WM. WRIGLEY, Jr. COMPANY

Appellee

No. 3728

WM. WRIGLEY, Jr. COMPANY

Appellant

vs.

L. P. LARSON, Jr. COMPANY

Appellee

October Term, 1926, as the same remains upon the files and records of the United States Circuit Court of Appeals, for the Seventh Circuit.

In Testimony Whereof I hereunto subscribe my name and affix the seal of said United States Circuit Court of Appeals for the Seventh Circuit, at the City of Chicago, this Seventeenth day of October, A. D. 1927.

(Seal)

EDWARD M. HOLLOWAY
Clerk of the United States Circuit Court of Appeals for the Seventh Circuit.